

# EAST CLEVELAND M S HOME

England & Wales · Charity number 519232

## Details

**Other names** ANN CHARLTON LODGE

**Status** Registered

**Legal form** Charitable company

**Company number** [02152724](#)

**Registered** 1987-09-23

**Register** [View on the Charity Commission register](#)

## Contact

**Address** The Ann Charlton Lodge  
Edenhall Grove  
Redcar  
TS10 4PR

**Phone** 01642480660

**Email** [acredcar@outlook.com](mailto:acredcar@outlook.com)

**Website** [www.anncharltonlodge-redcar.co.uk](http://www.anncharltonlodge-redcar.co.uk)

## Activities

**Objects:** (I) THE RELIEF OF SICKNESS OF PERSONS SUFFERING FROM MULTIPLE SCLEROSIS IN CLEVELAND AND THE SURROUNDING AREA, IN PARTICULAR THROUGH THE PROVISION OF A LONG-STAY/SHORT STAY CARE HOME AND A DAY CENTRE. SUCH DAY CENTRE AS AFORESAID MAY IN ADDITION AND AT THE TRUSTEES' ABSOLUTE DISCRETION BE MADE AVAILABLE FOR USE BY OTHER CHARITABLE ORGANISATIONS. (II) THE RELIEF OF PHYSICALLY DISABLED IN CLEVELAND AND ELSEWHERE FROM THE DISABILITIES ATTENDANT UPON THEIR HANDICAP, PARTICULARLY, ALTHOUGH NOT EXCLUSIVELY, THROUGH THE PROVISION OF SHORT-STAY HOLIDAY ACCOMMODATION.

**Activities:** A care home whose object is to bring relief to the sufferers of Multiple Sclerosis and other diseases of the central nervous system

## Classification

- **How:** Provides Services
- **What:** The Advancement Of Health Or Saving Of Lives, Disability
- **Who:** People With Disabilities

## Geography

- **Area of benefit:** REDCAR AND CLEVELAND, MIDDLESBROUGH, HARTLEPOOL, STOCKTON-ON-TEES AND THE SURROUNDING AREAS
- Redcar And Cleveland

## Finances

| Period end | Income     | Expenditure | Assets   | Employees |
|------------|------------|-------------|----------|-----------|
| 2025-06-30 | £1,784,929 | £1,811,162  | £263,777 | 44        |
| 2024-06-30 | £1,568,188 | £1,717,260  | £290,010 | 42        |
| 2023-06-30 | £1,624,302 | £1,523,311  | £439,082 | 44        |
| 2022-06-30 | £1,286,585 | £1,366,022  | £338,591 | 44        |
| 2021-06-30 | £1,238,517 | £1,318,817  | £418,028 | 40        |

## Trustees

| Name                 | Role  | Appointed  |
|----------------------|-------|------------|
| <b>Alison Barnes</b> | Chair | 2024-09-02 |
| David Charlesworth   |       | 2025-01-04 |
| Linda Minns          |       | 2021-09-28 |
| Rose Hewitt          |       | 2014-08-06 |
| Timothy Bethell      |       | 2024-12-05 |

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# Accounts

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**EAST CLEVELAND MS HOME**

**TRUSTEES' REPORT AND  
STATEMENT OF ACCOUNTS**

**YEAR ENDED 30<sup>TH</sup> JUNE 2025**

**COMPANY LIMITED BY GUARANTEE  
(The Company does not have a share capital)**

**REGISTERED CHARITY NUMBER 519232  
COMPANY NUMBER : 2152724**

## **EAST CLEVELAND MS HOME**

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**EAST CLEVELAND MS HOME  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 30 JUNE 2025**

The East Cleveland MS Home is also known as the Ann Charlton Lodge.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charities governing document, the Companies Act 2016 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective 1<sup>st</sup> January 2019

**REFERENCE & ADMINISTRATIVE DETAILS**

Charity number 519232  
Company number 2152724

**Registered Office:**

Edenhall Grove  
REDCAR  
TS10 4PR

**Trustees:**

The trustees are directors of the Company for the purpose of Company law. The trustees serving during the year and up to the date of this report:-

Mrs A Barnes (Chair)  
C V Greenley – Secretary (retired 16/4/25)  
Mrs R Hewitt  
L Minns - Secretary  
S Dunn (appointed 2/9/2024, resigned 21/1/25)  
T Bethell (appointed 05/12/24)  
D Charlesworth (appointed 4/1/25)  
W J Wilson (appointed 15/4/25)

**Honorary Secretary:**

L Minns

**Bankers:**

HSBC Bank PLC, 60 Albert Road, Middlesbrough, TS1 1RS.  
Virgin Money plc, Jubilee House, Gosforth, NE3 4PL.

**Auditors:**

Graham Fitzgerald  
Azets Audit Services,  
Wynyard Park House,  
Wynyard Avenue,  
Wynyard,  
TS22 5TB

**Solicitors:**

Cygnat Law  
Portland House  
West Dyke Road  
REDCAR TS10 1DH

## **EAST CLEVELAND MS HOME**

### **REPORT OF THE TRUSTEES**

**FOR THE YEAR ENDED 30 JUNE 2025**

#### **STRUCTURE, GOVERNANCE & MANAGEMENT**

##### **Governing Document**

The charity is a charitable company limited by guarantee and was set up 7 May 1987. It is governed by a memorandum and articles of association. Its objects are to bring relief to the sufferers of Multiple Sclerosis and other diseases of the central nervous system in Cleveland and the surrounding area.

##### **Appointment of trustees**

As set out in the Articles of Association, trustees are appointed by the Board of Trustees and every year one third of the trustees shall retire from office and may put themselves forward for re-election at the Annual General Meeting. Also, any new trustees elected during the year shall only hold office until the next following Annual General Meeting and shall then be eligible for re-election.

All members are circulated with invitations to nominate trustees prior to the AGM advising them of the retiring trustees and requesting nominations for the AGM.

The Trustees maintain an 'equal opportunity' policy whether it is age, sex, ethnicity or disability with regard to recruiting new Trustees and work to maintain a balance of experience and skills. All candidates are required to make a formal written application, giving the names of two suitable referees; they are also required to undergo an enhanced DBS check before being interviewed by a panel of Trustees who will assess the suitability of the candidate.

##### **Trustee induction and training**

New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

##### **Organisation**

The board of trustees administers the charity. The Trustees meet every month to review operations and to make any decisions required on the running of the Home. Members of the Home guarantee to contribute an amount not exceeding £1 to the assets of the Home in the event of winding up. The total number of such guarantees at 30<sup>th</sup> June 2025 was 6 (2024 – 5).

##### **Investment Powers, Policy and Performance**

The Trustees investment powers are governed by the Memorandum and Articles of Association which permits the Home's funds not immediately required for its purposes to be invested in any such investments, securities or property as may be thought fit.

The Board's policy is to invest in high interest savings accounts and low risk investments, such as investment in a portfolio of stocks and shares in blue chip companies specially tailored for charitable companies.

The Home's investments have continued to be managed in conformity with our policy and the Memorandum and Articles of Association and their performance for the year has been in line with our expectations, thanks to the expert advice of our investment advisor and the close control exercised by the management team.

**EAST CLEVELAND M S HOME**  
**REPORT OF THE TRUSTEES (CONTINUED)**

**Risk Review**

Through the regular involvement in the management of the Home, the Trustees are aware of the risks involved in running the Home. Policies and procedures are in place to mitigate these risks. An annual budget for the year ahead is in place to guide the Trustees and is regularly reviewed. Internal risks are minimised by the implementation of procedures for the authorisation of all transactions and projects, to ensure the consistent quality of delivery for all operational aspects of the Lodge. These procedures are periodically reviewed to ensure that they still meet the needs of the Home and requirements of the regulatory body.

**Re-election of Trustees**

In accordance with clause 31 and 34 of the Articles of Association, the under mentioned resign as Trustees and offer themselves for re-election.

Mr T Bethel  
Mr D Charlesworth

**OBJECTIVES**

**Objectives**

The trust was established for the relief of sickness in persons suffering from Multiple Sclerosis in Cleveland and the surrounding area, through the provision of a residential care home offering long and short stay accommodation, together with day care facilities. The Home now looks after not only people with multiple sclerosis but all conditions of the central nervous system and any other physical disabilities. Day care facilities are no longer available. The Trust is registered as a care home with nursing and currently looks after 24 residents and has one respite room

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing its aims and objectives in planning its future activities.

**ACHIEVEMENTS & PERFORMANCE**

**Achievements during the Year**

The Trustees have been active in giving guidance where required on the Home's activities and business planning including inspections of the Home where every facet of the day to day running of the organisation has been scrutinised and audited.

During the year, the Trustees took the decision to appoint a CEO for a fixed term of 6 months to lend his knowledge and experience to the Board of Trustees. The CEO also put much needed systems and procedures in place and also acted as Nominated Individual. Whilst these benefits helped to achieve a more stable management, the cost has meant that there was a negative overall financially for the year.

After 28 years with the Lodge, as administrator, then Chair of the Trustees and later as company secretary, Clive Greenley retired from the Board. As a short term measure, Clive has agreed to support the Board on a financial consultancy basis.

**EAST CLEVELAND M S HOME**  
**REPORT OF THE TRUSTEES (CONTINUED)**

## **FINANCIAL REVIEW**

### **Results**

The Trust had a net outflow of resources amounting to £26233 with reserves now standing at £263777. This compares with a net outflow of £149,072 in the previous trading year. After a very disappointing trading year the previous year, this year has shown substantial improvement. Had it not been for the large increase in the minimum wage and an increase in the rate of national insurance contributions, together with the cost of appointing a CEO, there could well have been a trading surplus. Occupancy levels were much improved during the year.

The statement of Financial Activities on page 11 shows the Home's income and how it has been spent during the year. The Trustees are very grateful for the support received through the efforts of its staff in fundraising as well as other benefactors.

Meanwhile it is essential to maintain the continuing financial support of the public to maintain our excellent level of service and continued focus is being placed on increased sponsorship and fundraising. We are due to receive a long awaited legacy of some £109000. In addition to our savings the Lodge also has funds of some £86000 lodged with Thirteen Group to cover any major repairs or refurbishment to the external buildings.

## **PLANS FOR FUTURE PERIODS**

### **Future Strategy**

This financial year demonstrates once again the need for caution and careful control of expenditure. Our level of reserves are much depleted but with the support of Redcar Council, if we can maintain improved occupancy levels, then we should be able to start to build up reserves again. The Trustees continue to look at ways to reduce staffing costs through restructuring and efficiency savings and to have better systems in place, including our new website, which should help to attract future clients. Further the Trustees are working hard to strengthen the Board of Trustees with a view to bring in more expertise and new ideas including increased focus on fundraising. We draw your attention to the going concern accounting policy on page 16, this sets out our current position in respect of the going concern of the organisation.

### **Reserves Policy - Funds**

The Trustees still continue to monitor closely the investment strategy to maximise income and protect, as far as is possible, these reserves so as to guarantee the future of the Ann Charlton Lodge for the foreseeable future. Prompt action is taken to address adverse trends.

**EAST CLEVELAND M S HOME**  
**REPORT OF THE TRUSTEES (CONTINUED)**

**Statement of trustees Responsibilities for Preparing Accounts**

The Trustees (who are also Directors of the East Cleveland MS Home for the purposes of Charity and Company law) are responsible for preparing the Trustees Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company and Charity law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Institution and of the incoming resources and application of the same, including income and expenditure, of the Institution for that period. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Institution will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Institution and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Institution and hence for taking reasonable steps for the prevention of fraud and other irregularities.

**Statement of Disclosure of Information to Auditors**

- There is no relevant audit information of which the company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditors**

Azets Audit Services were re-appointed as the Home's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the Trustees and signed on their behalf by:-

Trustee: A Barnes



Dated 17<sup>th</sup> March 2026

## **EAST CLEVELAND MS HOME**

### **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF EAST CLEVELAND MS HOME FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025**

#### **Opinion**

We have audited the financial statements of East Cleveland MS Home (the charitable company) for the year ended 30<sup>th</sup> June 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 30<sup>th</sup> June 2025 and of its incoming resources and application of resources including its income and expenditure for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Material uncertainty relating to going concern**

We draw attention to note 1 in the financial statements ("Going Concern"), which indicates that the company is in a position where losses are being incurred going forward and the charity is struggling to fill beds, solutions are being sought to secure the financial stability of the company including discussions with the local council. As stated in note 1, at the present time there is a material uncertainty that casts doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **EAST CLEVELAND MS HOME**

### **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF EAST CLEVELAND MS HOME FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025**

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

## **EAST CLEVELAND MS HOME**

### **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF EAST CLEVELAND MS HOME FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025**

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities including fraud is detailed below:

- Enquiry of management and those charged with governance around actual potential litigation and claims.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## **EAST CLEVELAND MS HOME**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EAST CLEVELAND MS HOME**

#### **Auditor's responsibilities for the audit of the financial statements (continued)**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Azets Audit Services*

Graham Fitzgerald BA FCA DChA  
Senior Statutory auditor  
For and on behalf of  
Azets Audit Services  
Wynyard Park House  
Wynyard Avenue  
Wynyard  
TS22 5TB

Date: 20/3/26

# EAST CLEVELAND MS HOME

## STATEMENT OF FINANCIAL ACTIVITIES (including Income & Expenditure Account)

YEAR ENDED 30<sup>TH</sup> JUNE 2025

|                                                                   | Note | Restricted<br>Funds<br>2025<br>£ | Unrestricted<br>Funds<br>2025<br>£ | Total<br>Funds<br>2025<br>£ | Total<br>Funds<br>2024<br>£ |
|-------------------------------------------------------------------|------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| <b>INCOME AND RECEIPT OF ENDOWMENT</b>                            |      |                                  |                                    |                             |                             |
| <i><b>Income from Donations and Legacies:</b></i>                 |      |                                  |                                    |                             |                             |
| Donations and Gifts                                               |      | -                                | 21027                              | 21027                       | 20063                       |
| Grants Receivable                                                 |      | -                                | -                                  | -                           | -                           |
| <i><b>Income from charitable activities:</b></i>                  |      |                                  |                                    |                             |                             |
| Fees for residential care                                         |      | -                                | 1760504                            | 1760504                     | 1540463                     |
| <i><b>Income from other Trading Activities:</b></i>               |      |                                  |                                    |                             |                             |
| Fundraising and other income                                      |      | -                                | 2982                               | 2982                        | 3164                        |
| <i><b>Investment income:</b></i>                                  |      |                                  |                                    |                             |                             |
| Bank interest receivable                                          | 3    | -                                | 416                                | 416                         | 4498                        |
| <b>TOTAL INCOME</b>                                               |      | -                                | 1784929                            | 1784929                     | 1568188                     |
| <b>EXPENDITURE</b>                                                |      |                                  |                                    |                             |                             |
| <i><b>Charitable activities:</b></i>                              |      |                                  |                                    |                             |                             |
| Direct Residential and day care costs                             |      | -                                | 1791852                            | 1791852                     | 1697070                     |
| <b>Other Costs</b>                                                |      | -                                | 19310                              | 19310                       | 20190                       |
| <b>Total Expenditure</b>                                          | 4    | -                                | 1811162                            | 1811162                     | 1717260                     |
| <b>Net outgoing/incoming resources</b>                            |      | -                                | (26233)                            | (26233)                     | (149072)                    |
| Transfer between funds                                            |      | -                                | -                                  | -                           | -                           |
| <b>Net movement in Funds</b>                                      |      | -                                | (26233)                            | (26233)                     | (149072)                    |
| <b>Fund balances brought forward at 1<sup>st</sup> July 2024</b>  |      | -                                | 290010                             | 290010                      | 439082                      |
| <b>Fund balances carried forward at 30<sup>th</sup> June 2025</b> |      | -                                | 263777                             | 263777                      | 290010                      |

The statement of financial activities includes all gains and losses recognised in the year.  
All incoming resources and resources expended derive from continuing activities.  
The notes on pages 14 to 21 form part of these accounts.

# EAST CLEVELAND MS HOME

## BALANCE SHEET

AS AT 30<sup>TH</sup> JUNE 2025

|                                                       | Note | £        | 2025<br>£ | £        | 2024<br>£ |
|-------------------------------------------------------|------|----------|-----------|----------|-----------|
| <b>FIXED ASSETS</b>                                   |      |          |           |          |           |
| Tangible fixed assets                                 | 9    |          | 97507     |          | 103027    |
| <b>CURRENT ASSETS</b>                                 |      |          |           |          |           |
| Stocks                                                | 10   | 1400     |           | 1400     |           |
| Debtors                                               | 11   | 142912   |           | 132947   |           |
| Cash at bank and in hand                              | 12   | 210683   |           | 192049   |           |
|                                                       |      |          | 354995    |          | 326396    |
| <b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b> | 13   | (188725) |           | (139413) |           |
| <b>NET CURRENT ASSETS</b>                             |      |          | 166270    |          | 186983    |
| <b>NET ASSETS</b>                                     |      |          | 263777    |          | 290010    |
| <b>FUNDS</b>                                          |      |          |           |          |           |
| Restricted                                            | 15   |          | -         |          | -         |
| Unrestricted                                          | 16   |          | 263777    |          | 290010    |
|                                                       |      |          | 263777    |          | 290010    |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 11 to 21 were approved and authorised for issue by the trustees on and signed on their behalf by:

A Barnes

*A. M. Barnes*

L Minns

*L Minns*

### TRUSTEES

Dated 17<sup>th</sup> March 2026

The notes on pages 14 to 21 form part of these accounts.

**EAST CLEVELAND MS HOME  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025**

|                                                             | <b>Note</b> | <b>2025<br/>£</b>     | <b>2024<br/>£</b>      |
|-------------------------------------------------------------|-------------|-----------------------|------------------------|
| <b>Net cash flow from operating activities</b>              | <b>20</b>   | <b><u>32360</u></b>   | <b><u>(127904)</u></b> |
| <b>Cash flow from investing activities</b>                  |             |                       |                        |
| Payments to acquire tangible fixed assets                   |             | (14142)               | (39114)                |
| Receipts from sale tangible fixed assets                    |             | -                     | -                      |
| Interest received                                           |             | 416                   | 4498                   |
| <b>Net cash flow from investing activities</b>              |             | <b><u>(13726)</u></b> | <b><u>(34616)</u></b>  |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |             | <b>18634</b>          | <b>(162520)</b>        |
| Cash and cash equivalents at 1 <sup>st</sup> July 2024      |             | <u>192049</u>         | <u>354569</u>          |
| Cash and cash equivalents at 30 <sup>th</sup> June 2025     |             | <b><u>210683</u></b>  | <b><u>192049</u></b>   |
| <b>Cash and cash equivalents consists of:</b>               |             |                       |                        |
| Cash at bank and in hand                                    |             | <u>210683</u>         | <u>354569</u>          |

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025**

**1. ACCOUNTING POLICIES**

**Charity Information**

East Cleveland MS Home is a private company limited by guarantee incorporated in England and Wales. The registered office is Edenhall Grove, Redcar, TS10 4PR. The charity constitutes a public benefit entity as defined by FRS102.

**Accounting convention**

These accounts have been prepared in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Ireland" ("FRS102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for Charities applying FRS102 and UK Generally Accepted Accounting Practice effective 1<sup>st</sup> January 2019.

The accounts are prepared in sterling which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

**Charitable Funds**

Unrestricted funds are available for use at the discretion of the trustees in the furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of restricted funds are set out in the notes to the accounts.

**Incoming Resources**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that the income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require the deferral of the amount. Income tax recoverable in relation to donations received under gift aid or deeds of covenant is recognised at the time of donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of VAT and other sales-related taxes.

The charity occupies its main premises under a long-term operating lease paying a service charge as rent of £15000 per annum. The trustees consider the market rental value of the property to be significantly higher; however, the value of the concession cannot be measured reliably without incurring disproportionate costs or effort. In accordance with the Charities SORP, no donation-in-kind has been recognised. The nature of the concession is disclosed for transparency.

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025**

**1. ACCOUNTING POLICIES (Continued)**

**Tangible Fixed Assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                                  |                      |
|----------------------------------|----------------------|
| Conservatory & Staff Room Annexe | 25 years             |
| Gifted Assets                    | 10 years             |
| Fixtures, Fittings & Equipment   | 10 years             |
| Motor Vehicle                    | 25% reducing balance |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the net income for the year.

Recoverable amount is the higher of fair value, less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to the recoverable amount immediately in income/expenditure for the year, unless the relevant asset is carried in at a revalued amount, in which case the impairment loss is treated as revaluation decrease.

Recognised impairment losses are reversed if and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined if no carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as revaluation increase.

**Investments**

Investments are recognised initially at fair value which is normally the transaction value excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in "net gains / (losses) on investments" in the SOFA as the shares are publically traded and their fair value can be measured reliably.

**Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to sell. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured at cost. Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025**

**1. ACCOUNTING POLICIES (Continued)**

**Basic Financial Assets**

Basic financial assets which include debtors, cash and bank balances, are initially measured at transaction price including transaction costs and subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of future receipts discounted at a market rate of interest. Financial assets classified as receivable within 1 year are not amortised.

**Basic Financial Liabilities**

Basic Financial Liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within 1 year are not amortised. Debt instruments are subsequently measured at amortised cost, using the effective interest method.

**Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

**Employee Benefits**

When employees have rendered service to the charity, short term benefits to which the employees are Entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are charged as they become payable.

**Going Concern**

The financial statements have been prepared on a going concern basis, however we are currently in a loss making position and there are some uncertainties around the level of future levels of income and expenditure. Management and trustees are actively engaged in strategies to maximise revenues and minimise costs to secure the medium to long term future of the organization including discussions with local councils who are offering to fill beds and offer additional funding, however until discussions and negotiations are concluded and key decisions taken, there remains some uncertainty as to our financial stability.

**2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of revision and future periods where the provision affects both current and future periods.

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025**

**3. INVESTMENT INCOME**

|                     | <b>2025<br/>Total<br/>£</b> | <b>2024<br/>Total<br/>£</b> |
|---------------------|-----------------------------|-----------------------------|
| Interest receivable | 416                         | 4498                        |
|                     | <u>416</u>                  | <u>4498</u>                 |

**4. TOTAL RESOURCES EXPENDED**

|                                              | <b>Basis<br/>of<br/>allocation</b> | <b>Charitable<br/>activities</b> | <b>Other<br/>costs</b> | <b>2025</b>    | <b>2024</b>    |
|----------------------------------------------|------------------------------------|----------------------------------|------------------------|----------------|----------------|
|                                              |                                    | <b>£</b>                         | <b>£</b>               | <b>£</b>       | <b>£</b>       |
| Staff Costs                                  | Staff time                         | 1444117                          | -                      | 1444117        | 1374968        |
| Rent & Rates                                 | Direct                             | 33847                            | -                      | 33847          | 17322          |
| Vehicle Expenses                             | Direct                             | 4075                             | -                      | 4075           | 4881           |
| Insurance/Licence                            | Direct                             | 22843                            | -                      | 22843          | 19415          |
| Catering                                     | Direct                             | 51808                            | -                      | 51808          | 50582          |
| Maintenance                                  | Direct                             | 43960                            | -                      | 43960          | 42958          |
| Medical Supplies                             | Direct                             | 34883                            | -                      | 34883          | 29051          |
| Energy                                       | Direct                             | 53097                            | -                      | 53097          | 56146          |
| Administration                               | Direct                             | 30085                            | -                      | 30085          | 31334          |
| Audit/Accountancy                            | Direct                             | -                                | 19310                  | 19310          | 20190          |
| Subscriptions                                | Direct                             | 39653                            | -                      | 39653          | 33572          |
| Depreciation (including<br>Loss on Disposal) | Direct                             | 19662                            | -                      | 19662          | 19972          |
| Bad Debts                                    | Direct                             | (499)                            | -                      | (499)          | 6860           |
| Registration Fees                            | Direct                             | 3268                             | -                      | 3268           | 3371           |
| Bank Charges                                 | Direct                             | 158                              | -                      | 158            | 136            |
| Miscellaneous                                | Direct                             | 10895                            | -                      | 10895          | 6502           |
| <b>TOTAL RESOURCES<br/>EXPENDED</b>          |                                    | <u>1791852</u>                   | <u>19310</u>           | <u>1811162</u> | <u>1717260</u> |

Of expenditure of £1811162 (2024:£1717260) £1811162 (2024:£1717260) related to unrestricted funds and £NIL (2024: £NIL) related to restricted funds.

**5. NET INCOMING RESOURCES FOR THE YEAR**

This is stated after charging:

|                                         | <b>2025<br/>£</b> | <b>2024<br/>£</b> |
|-----------------------------------------|-------------------|-------------------|
| Depreciation/loss on disposal of assets | 19662             | 19972             |
| Auditors remuneration                   | 10410             | 11578             |
| Other Accountancy fees                  | <u>8900</u>       | <u>8612</u>       |

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025**

**6. TRUSTEES REMUNERATION, EXPENSES AND TRANSACTIONS**

The trustees and key management neither received nor waived any emoluments during the year (2024: £ nil). There were no trustee/key management expenses paid (2024: £ nil). No transactions with trustees, key staff or connected parties took place during the year (2024: £nil).

The Home is covered under its general insurance policy for any actions of its trustees.

**7. STAFF COSTS**

Staff costs were as follows:-

|                                      | <b>2025</b>    | <b>2024</b>    |
|--------------------------------------|----------------|----------------|
|                                      | <b>£</b>       | <b>£</b>       |
| Wages, Salaries, Agency and Training | 1338085        | 1292184        |
| Social Security Costs                | 87088          | 66425          |
| Pension Costs                        | 18944          | 16359          |
|                                      | <u>1444117</u> | <u>1374968</u> |

No employee received emoluments of more than £60,000.

The average number of persons employed during the year, analysed by

|                               | <b>Fulltime Equivalent</b> |             |
|-------------------------------|----------------------------|-------------|
|                               | <b>2025</b>                | <b>2024</b> |
| Management and Administration | 5                          | 4           |
| Catering                      | 4                          | 4           |
| Domestic and Laundry          | 6                          | 6           |
| Nursing and Clinical Lead     | 8                          | 8           |
| Care Staff                    | 19                         | 19          |
| Drivers/Gardner's/Handyman    | 2                          | 3           |
|                               | <u>44</u>                  | <u>44</u>   |

**8. TAXATION**

The trust is a registered charity and as such is exempt from Income Tax, Corporation Tax or Capital Gains Tax on its charitable activities.

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025**

**9. TANGIBLE ASSETS**

|                               | Staff<br>Room<br>Annexe<br>£ | Conservatory<br>£ | Fixtures,<br>& Fittings<br>Equipment<br>£ | Motor<br>Vehicle<br>£ | Gifted<br>Assets<br>£ | Total<br>£    |
|-------------------------------|------------------------------|-------------------|-------------------------------------------|-----------------------|-----------------------|---------------|
| <b>COST</b>                   |                              |                   |                                           |                       |                       |               |
| At 1 <sup>st</sup> July 2024  | 26856                        | 43069             | 435182                                    | 16244                 | 7260                  | 528611        |
| Additions                     | -                            | -                 | 14142                                     | -                     | -                     | 14142         |
| Disposal                      | -                            | -                 | (21820)                                   | -                     | -                     | (21820)       |
| At 30 <sup>th</sup> June 2025 | <u>26856</u>                 | <u>43069</u>      | <u>427504</u>                             | <u>16244</u>          | <u>7260</u>           | <u>520933</u> |
| <b>DEPRECIATION</b>           |                              |                   |                                           |                       |                       |               |
| At 1 <sup>st</sup> July 2024  | 26856                        | 43069             | 334745                                    | 13654                 | 7260                  | 425584        |
| Disposal                      | -                            | -                 | (19751)                                   | -                     | -                     | (19751)       |
| Charge for the year           | -                            | -                 | 16945                                     | 648                   | -                     | 17593         |
| At 30 <sup>th</sup> June 2025 | <u>26856</u>                 | <u>43069</u>      | <u>331939</u>                             | <u>14302</u>          | <u>7260</u>           | <u>423426</u> |
| <b>NET BOOK VALUE</b>         |                              |                   |                                           |                       |                       |               |
| At 30 <sup>th</sup> June 2025 | <u>-</u>                     | <u>-</u>          | <u>95565</u>                              | <u>1942</u>           | <u>-</u>              | <u>97507</u>  |
| At 30 <sup>th</sup> June 2024 | <u>-</u>                     | <u>-</u>          | <u>100437</u>                             | <u>2590</u>           | <u>-</u>              | <u>103027</u> |

**10. STOCKS**

|                 | 2025<br>£   | 2024<br>£   |
|-----------------|-------------|-------------|
| Catering stocks | <u>1400</u> | <u>1400</u> |

**11. DEBTORS**

|                                | 2025<br>£     | 2024<br>£     |
|--------------------------------|---------------|---------------|
| Trade Debtors                  | 116799        | 101614        |
| Prepayments and Accrued Income | 26113         | 28782         |
| Other Debtors                  | -             | 2551          |
|                                | <u>142912</u> | <u>132947</u> |

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025**

| <b>12. BANK AND CASH</b> | <b>2025</b>   | <b>2024</b>   |
|--------------------------|---------------|---------------|
|                          | <b>£</b>      | <b>£</b>      |
| Current Account          | 158169        | 188770        |
| Virgin Money             | 51086         | 1086          |
| Cash in Hand             | 1428          | 2193          |
|                          | <u>210683</u> | <u>192049</u> |

| <b>13. CREDITORS</b>                   | <b>2025</b>   | <b>2024</b>   |
|----------------------------------------|---------------|---------------|
|                                        | <b>£</b>      | <b>£</b>      |
| Amounts falling due within one year    |               |               |
| Trade Creditors                        | 75559         | 39774         |
| Accruals and Other Creditors           | 101731        | 95964         |
| Other Creditors – Staff Christmas Club | 11435         | 3675          |
|                                        | <u>188725</u> | <u>139413</u> |

**14. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

| <b>2025</b>           | <b>Unrestricted Funds</b> | <b>Restricted Funds</b> | <b>Total</b>  |
|-----------------------|---------------------------|-------------------------|---------------|
|                       | <b>£</b>                  | <b>£</b>                | <b>£</b>      |
| Tangible Fixed Assets | 97507                     | -                       | 97507         |
| Net Current Assets    | 166270                    |                         | 166270        |
|                       | <u>263777</u>             | <u>-</u>                | <u>263777</u> |

| <b>2024</b>           | <b>Unrestricted Funds</b> | <b>Restricted Funds</b> | <b>Total</b>  |
|-----------------------|---------------------------|-------------------------|---------------|
|                       | <b>£</b>                  | <b>£</b>                | <b>£</b>      |
| Tangible Fixed Assets | 103027                    | -                       | 103027        |
| Net Current Assets    | 186983                    | -                       | 186983        |
|                       | <u>290010</u>             | <u>-</u>                | <u>290010</u> |

| <b>15. RESTRICTED FUNDS</b> | <b>2025</b> | <b>2024</b> |
|-----------------------------|-------------|-------------|
|                             | <b>£</b>    | <b>£</b>    |
| At beginning of Year        | -           | -           |
| Incoming Resources          | -           | -           |
| Resources expended          | -           | -           |
| Transfer between funds      | -           | -           |
|                             | <u>-</u>    | <u>-</u>    |

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025**

**16. UNRESTRICTED FUNDS**

|                      | <b>2025</b>   | <b>2024</b>   |
|----------------------|---------------|---------------|
|                      | <b>£</b>      | <b>£</b>      |
| At beginning of Year | 290010        | 439082        |
| Incoming Resources   | 1784929       | 1568188       |
| Resources expended   | (1811162)     | (1717260)     |
|                      | <u>263777</u> | <u>290010</u> |

**17. TRUSTEE CONTRIBUTION**

Every Member of the Trust undertakes to contribute to the assets of the Trust in the event of its being wound up, while he or she is a member, or within one year after he or she ceased to be a member, for payments of the debts and liabilities of the Trust contracted before he or she ceased to be a member, and of the costs, charges and expenses of winding up and for the adjustment or the rights of the contributories among themselves, such amount as may be required not exceeding one pound.  
There are 5 members.

**18. OPERATING LEASE COMMITMENTS**

**Lessee**

At the reporting date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows and relate to the building occupied by the Home for its principal activities and equipment for its operations.

|                                     | <b>Land And Buildings</b> |               | <b>Equipment</b> |             |
|-------------------------------------|---------------------------|---------------|------------------|-------------|
|                                     | <b>2025</b>               | <b>2024</b>   | <b>2025</b>      | <b>2024</b> |
|                                     | <b>£</b>                  | <b>£</b>      | <b>£</b>         | <b>£</b>    |
| Amounts due within 1 Year           | 15000                     | 15000         | 475              | -           |
| Amounts due 2-5 Years               | 60000                     | 60000         | 1429             | -           |
| Amounts due after more than 5 years | 97500                     | 112500        | -                | -           |
|                                     | <u>172500</u>             | <u>187500</u> | <u>1904</u>      | <u>-</u>    |

**19. RELATED PARTY TRANSACTIONS**

There were no transactions with related parties in the period that require disclosure under FRS102.

**20. RECONCILIATION OF NET INCOME/EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES**

|                                                      | <b>2025</b>  | <b>2024</b>     |
|------------------------------------------------------|--------------|-----------------|
|                                                      | <b>£</b>     | <b>£</b>        |
| Net income/expenditure for the year                  | (26233)      | (149072)        |
| Interest Received                                    | (416)        | (4498)          |
| Depreciation and impairment of tangible fixed assets | 19662        | 19972           |
| (Increase in stock)                                  | -            | (100)           |
| (Increase) Decrease in debtors                       | (9965)       | 4773            |
| Increase in creditors                                | 49312        | 1021            |
| <b>Net cash flow from operating activities</b>       | <u>32360</u> | <u>(127904)</u> |

**EAST CLEVELAND MS HOME**  
**INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 30<sup>TH</sup> JUNE 2025**

|                                             | <b>2025</b>    | <b>2024</b>    |
|---------------------------------------------|----------------|----------------|
|                                             | <b>£</b>       | <b>£</b>       |
| <b>INCOME</b>                               |                |                |
| Residents' Fees                             | 1760504        | 1540463        |
| <b>TOTAL INCOME</b>                         | <u>1760504</u> | <u>1540463</u> |
| <b>DIRECT EXPENSES</b>                      |                |                |
| Salaries, Wages & Oncosts                   | 1435021        | 1366966        |
| Bad Debts                                   | (499)          | 6860           |
| Staff Training                              | 6047           | 6236           |
| Catering Supplies                           | 51808          | 50582          |
| Staff Social Fund- Vouchers                 | 3049           | 1766           |
| <b>TOTAL DIRECT EXPENSES</b>                | <u>1495426</u> | <u>1432410</u> |
| <b>GROSS SURPLUS</b>                        | <u>265078</u>  | <u>108053</u>  |
| <b>OVERHEADS</b>                            |                |                |
| <b>RENT AND RATES</b>                       |                |                |
| Rent                                        | 15000          | 11253          |
| Water Rates                                 | 9229           | 4377           |
| General Rates                               | 1934           | 1693           |
|                                             | <u>26163</u>   | <u>17323</u>   |
| <b>FEES AND INSURANCE</b>                   |                |                |
| Audit and Accountancy Fees                  | 19310          | 20190          |
| Subscriptions, Professional and Consultancy | 39653          | 33572          |
| Bank Charges                                | 158            | 136            |
| Insurance                                   | 22552          | 19094          |
| Registration Fees                           | 3268           | 3371           |
| TV Licences                                 | 291            | 321            |
|                                             | <u>85232</u>   | <u>76684</u>   |
| <b>VEHICLE EXPENSES</b>                     |                |                |
| Fuel and Oil                                | 1596           | 1955           |
| Repair                                      | 797            | 1099           |
| Tax and Insurance                           | 1012           | 1135           |
| Miscellaneous and Travel                    | 671            | 692            |
|                                             | <u>4076</u>    | <u>4881</u>    |

**EAST CLEVELAND MS HOME**  
**INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 30<sup>TH</sup> JUNE 2025**

|                                      | <b>2025</b>  | <b>2024</b>  |
|--------------------------------------|--------------|--------------|
|                                      | <b>£</b>     | <b>£</b>     |
| <b>CLEANING AND MEDICAL SUPPLIES</b> |              |              |
| Laundry Supplies                     | 5877         | 4986         |
| Cleaning Materials                   | 7677         | 8879         |
| Medical Consumables                  | 21329        | 15186        |
|                                      | <u>34883</u> | <u>29051</u> |
| <b>MAINTENANCE</b>                   |              |              |
| Property & Equipment Repairs         | 43960        | 34691        |
| Office Equipment Repair              | 11365        | 11051        |
| Refuse Collection                    | 7683         | 8267         |
|                                      | <u>63008</u> | <u>54009</u> |
| <b>ENERGY</b>                        |              |              |
| Electricity & Gas                    | 53097        | 56146        |
|                                      | <u>53097</u> | <u>56146</u> |
| <b>ADMINISTRATION</b>                |              |              |
| Telephone and Internet               | 14448        | 13624        |
| Advertising                          | 66           | 2078         |
| Stationery                           | 3244         | 3705         |
| Postage                              | 120          | 96           |
| Equipment Rental                     | 842          | 779          |
|                                      | <u>18720</u> | <u>20282</u> |
| <b>MISCELLANEOUS</b>                 |              |              |
| Miscellaneous/Newspapers             | 7721         | 3398         |
| Staff Uniforms                       | 2716         | 1562         |
| Towels and Bedding                   | 201          | 1121         |
| Aquarium Maintenance and supplies    | 257          | 421          |
|                                      | <u>10895</u> | <u>6502</u>  |

**EAST CLEVELAND MS HOME**  
**INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 30<sup>TH</sup> JUNE 2025**

|                                | <b>2025</b>    | <b>2024</b>     |
|--------------------------------|----------------|-----------------|
|                                | <b>£</b>       | <b>£</b>        |
| <b>OTHER EXPENSES</b>          |                |                 |
| Depreciation/Loss on Sale      | 19662          | 19972           |
|                                | <u>19662</u>   | <u>19972</u>    |
| <b>TOTAL OVERHEADS</b>         | <u>315736</u>  | <u>284850</u>   |
| <b>TRADING SURPLUS/DEFICIT</b> | <u>(50658)</u> | <u>(176797)</u> |
| <b>OTHER INCOME</b>            |                |                 |
| Catering Income                | 2982           | 3164            |
| Donations Received             | 21027          | 20063           |
| Bank Interest Received         | 416            | 4498            |
|                                | <u>24425</u>   | <u>25725</u>    |
| <b>NET (DEFICIT)</b>           | <u>(26233)</u> | <u>(149072)</u> |

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# Accounts

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**EAST CLEVELAND MS HOME**

**TRUSTEES' REPORT AND  
STATEMENT OF ACCOUNTS**

**YEAR ENDED 30<sup>TH</sup> JUNE 2024**

**COMPANY LIMITED BY GUARANTEE  
(The Company does not have a share capital)**

**REGISTERED CHARITY NUMBER 519232  
COMPANY NUMBER : 2152724**

## EAST CLEVELAND MS HOME

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**EAST CLEVELAND MS HOME  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 30 JUNE 2024**

The East Cleveland MS Home is also known as the Ann Charlton Lodge.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charities governing document, the Companies Act 2016 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective 1<sup>st</sup> January 2019

**REFERENCE & ADMINISTRATIVE DETAILS**

Charity number 519232  
Company number 2152724

**Registered Office:** Edenhall Grove  
REDCAR  
TS10 4PR

**Trustees:**

The trustees are directors of the Company for the purpose of Company law. The trustees serving during the year and up to the date of this report:-

P W Wilson - Chairman (resigned 15/11/23)  
Mrs A Barnes (Chair appointed 25/3/24, Trustee appointed 26/6/23)  
C V Greenley – Secretary  
Mrs R Hewitt  
C Johnston (resigned 22/4/24)  
P Sotheran MBE (resigned 1/10/23)  
R Fox (resigned 1/11/23)  
L Minns  
C Wallis (resigned 26/2/24)  
S Dunn (appointed 23/10/23, resigned 21/1/25)  
D Fishlock (appointed 22/2/24)  
T Bethell (appointed 23/09/24)  
D Charlesworth (appointed 21/1/25)

**Honorary Secretary:** C V Greenley

**Bankers:** HSBC Bank PLC, 60 Albert Road, Middlesbrough, TS1 1RS.  
Virgin Money plc, Jubilee House, Gosforth, NE3 4PL.

**Auditors:** Graham Fitzgerald  
Azets Audit Services,  
Wynyard Park House,  
Wynyard Avenue,  
Wynyard,  
TS22 5TB

**Solicitors:** Cygnet Law  
Portland House  
West Dyke Road  
REDCAR TS10 1DH

## **EAST CLEVELAND MS HOME**

### **REPORT OF THE TRUSTEES**

**FOR THE YEAR ENDED 30 JUNE 2024**

#### **STRUCTURE, GOVERNANCE & MANAGEMENT**

##### **Governing Document**

The charity is a charitable company limited by guarantee and was set up 7 May 1987. It is governed by a memorandum and articles of association. Its objects are to bring relief to the sufferers of Multiple Sclerosis and other diseases of the central nervous system in Cleveland and the surrounding area.

##### **Appointment of trustees**

As set out in the Articles of Association, trustees are appointed by the Board of Trustees and every year one third of the trustees shall retire from office and may put themselves forward for re-election at the Annual General Meeting. Also, any new trustees elected during the year shall only hold office until the next following Annual General Meeting and shall then be eligible for re-election.

All members are circulated with invitations to nominate trustees prior to the AGM advising them of the retiring trustees and requesting nominations for the AGM.

The Trustees maintain an 'equal opportunity' policy whether it is age, sex, ethnicity or disability with regard to recruiting new Trustees and work to maintain a balance of experience and skills. All candidates are required to make a formal written application, giving the names of two suitable referees; they are also required to undergo an enhanced DBS check before being interviewed by a panel of Trustees who will assess the suitability of the candidate.

##### **Trustee induction and training**

New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

##### **Organisation**

The board of trustees administers the charity. The Trustees meet every month to review operations and to make any decisions required on the running of the Home. Members of the Home guarantee to contribute an amount not exceeding £1 to the assets of the Home in the event of winding up. The total number of such guarantees at 30<sup>th</sup> June 2024 was 6 (2023 – 6).

##### **Investment Powers, Policy and Performance**

The Trustees investment powers are governed by the Memorandum and Articles of Association which permits the Home's funds not immediately required for its purposes to be invested in any such investments, securities or property as may be thought fit.

The Board's policy is to invest in high interest savings accounts and low risk investments, such as investment in a portfolio of stocks and shares in blue chip companies specially tailored for charitable companies.

The Home's investments have continued to be managed in conformity with our policy and the Memorandum and Articles of Association and their performance for the year has been in line with our expectations, thanks to the expert advice of our investment advisor and the close control exercised by the management team.

## **EAST CLEVELAND M S HOME**

### **REPORT OF THE TRUSTEES (CONTINUED)**

#### **Risk Review**

Through the regular involvement in the management of the Home, the Trustees are aware of the risks involved in running the Home. Policies and procedures are in place to mitigate these risks. An annual budget for the year ahead is in place to guide the Trustees and is regularly reviewed. Internal risks are minimised by the implementation of procedures for the authorisation of all transactions and projects, to ensure the consistent quality of delivery for all operational aspects of the Lodge. These procedures are periodically reviewed to ensure that they still meet the needs of the Home and requirements of the regulatory body.

#### **Re-election of Trustees**

In accordance with clause 31 and 34 of the Articles of Association, the under mentioned resign as Trustees and offer themselves for re-election.

Mrs Alison Barnes  
Mr Clive Greenley

### **OBJECTIVES**

#### **Objectives**

The trust was established for the relief of sickness in persons suffering from Multiple Sclerosis in Cleveland and the surrounding area, through the provision of a residential care home offering long and short stay accommodation, together with day care facilities. The Home now looks after not only people with multiple sclerosis but all conditions of the central nervous system. Day care facilities are no longer available. The Trust is registered as a care home with nursing and currently looks after 24 residents and has one respite room

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing its aims and objectives in planning its future activities.

### **ACHIEVEMENTS & PERFORMANCE**

#### **Achievements during the Year**

The Trustees have been active in giving guidance where required on the Home's activities and business planning including monthly inspections of the Home where every facet of the day to day running of the organisation is scrutinised and audited.

In February 2024, the Trustees took the decision to close the Home due to continuing low occupancy levels which meant that the charity was making heavy losses. Also, it was proving difficult to attract a suitably qualified manager and new trustees. However the decision was reversed in March following a groundswell of support from the local community, local councillors and MP. Redcar Council guaranteed to support the Lodge over the short term to give the opportunity to turn around our finances.

A new manager was appointed and the Trustees also recruited on a short-term contract a CEO who also acted as the nominated individual. The Trustees are very grateful to Daniel Cleough, our CEO for his commitment and systems he has put in place to strengthen the integrity of the organisation.

**EAST CLEVELAND M S HOME**  
**REPORT OF THE TRUSTEES (CONTINUED)**

## **FINANCIAL REVIEW**

### **Results**

The Trust had a net outflow of resources amounting to £149072 with reserves now standing at £290010. This compares with a net inflow of £100,491 in the previous trading year. Following on from a successful trading year in 2023, it is disappointing to report that the year under review proved to be so difficult. Occupancy levels were too low to cover the costs of wages and overheads. This was further aggravated by the difficulty in attracting the right quality of manager and a high turnover in care staff which meant a heavy reliance on agency personnel at a high cost. It was clear that the Lodge could not stay in business with the heavy losses and as reported above, a decision was taken to close although this was rescinded a few weeks later.

The statement of Financial Activities on page 11 shows the Home's income and how it has been spent during the year. The Trustees are very grateful for the support received through the efforts of its staff in fundraising as well as other benefactors.

With the introduction of a new manager in April 2024 and a CEO on a short term contract, good occupancy levels were restored. Also savings were made with the reduction of contracted hours of the ancillary staff. Meanwhile it is essential to maintain the continuing financial support of the public to maintain our excellent level of service and more focus is being placed on increased sponsorship and fundraising. We are due to receive a legacy of some £109000. In addition to our savings the Lodge also has funds of some £86000 lodged with Thirteen Group to cover any major repairs or refurbishment to the external buildings.

## **PLANS FOR FUTURE PERIODS**

### **Future Strategy**

This financial year demonstrates once again the need for caution and careful control of expenditure. Our level of reserves are much depleted but with the support of Redcar Council, if we can maintain improved occupancy levels, then we should be able to start to build up reserves again. The Trustees continue to look at ways to reduce staffing costs through restructuring and efficiency savings and to have better systems in place, including a new website, to attract future clients. Further the Trustees are working hard to strengthen the Board of Trustees with a view to bring in more expertise and new ideas including increased focus on fundraising. We draw your attention to the going concern accounting policy on page 16, this sets out our current position in respect of the going concern of the organisation.

### **Reserves Policy - Funds**

The Trustees still continue to monitor closely the investment strategy to maximise income and protect, as far as is possible, these reserves so as to guarantee the future of the Ann Charlton Lodge for the foreseeable future. Prompt action is taken to address adverse trends.

**EAST CLEVELAND M S HOME**  
**REPORT OF THE TRUSTEES (CONTINUED)**

**Statement of trustees Responsibilities for Preparing Accounts**

The Trustees (who are also Directors of the East Cleveland MS Home for the purposes of Charity and Company law) are responsible for preparing the Trustees Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company and Charity law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Institution and of the incoming resources and application of the same, including income and expenditure, of the Institution for that period. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Institution will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Institution and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Institution and hence for taking reasonable steps for the prevention of fraud and other irregularities.

**Statement of Disclosure of Information to Auditors**

- There is no relevant audit information of which the company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditors**

Azets Audit Services were re-appointed as the Home's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the Trustees and signed on their behalf by:-

Trustee: A Barnes

Dated

## **EAST CLEVELAND MS HOME**

### **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF EAST CLEVELAND MS HOME FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024**

#### **Opinion**

We have audited the financial statements of East Cleveland MS Home (the charitable company') for the year ended 30<sup>th</sup> June 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 30<sup>th</sup> June 2023 and of its incoming resources and application of resources including its income and expenditure for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Material uncertainty relating to going concern**

We draw attention to note 1 in the financial statements ("Going Concern"), which indicates that the company is in a position where losses are being incurred going forward and the charity is struggling to fill beds, solutions are being sought to secure the financial stability of the company including discussions with the local council. As stated in note 1, at the present time there is a material uncertainty that casts doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **EAST CLEVELAND MS HOME**

### **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF EAST CLEVELAND MS HOME FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024**

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

## **EAST CLEVELAND MS HOME**

### **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF EAST CLEVELAND MS HOME FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024**

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities including fraud is detailed below:

- Enquiry of management and those charged with governance around actual potential litigation and claims.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## **EAST CLEVELAND MS HOME**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EAST CLEVELAND MS HOME**

#### **Auditor's responsibilities for the audit of the financial statements (continued)**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Graham Fitzgerald BA FCA DChA  
Senior Statutory auditor  
For and on behalf of  
Azets Audit Services  
Wynyard Park House  
Wynyard Avenue  
Wynyard  
TS22 5TB

Date:.....

# EAST CLEVELAND MS HOME

## STATEMENT OF FINANCIAL ACTIVITIES (including Income & Expenditure Account)

YEAR ENDED 30<sup>TH</sup> JUNE 2024

|                                                                   | Note | Restricted<br>Funds<br>2024<br>£ | Unrestricted<br>Funds<br>2024<br>£ | Total<br>Funds<br>2024<br>£ | Total<br>Funds<br>2023<br>£ |
|-------------------------------------------------------------------|------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| <b>INCOME AND RECEIPT OF ENDOWMENT</b>                            |      |                                  |                                    |                             |                             |
| <i><b>Income from Donations and Legacies:</b></i>                 |      |                                  |                                    |                             |                             |
| Donations and Gifts                                               |      | -                                | 20063                              | 20063                       | 86807                       |
| Grants Receivable                                                 |      | -                                | -                                  | -                           | 500                         |
| <i><b>Income from charitable activities:</b></i>                  |      |                                  |                                    |                             |                             |
| Fees for residential care                                         |      | -                                | 1540463                            | 1540463                     | 1536215                     |
| <i><b>Income from other Trading Activities:</b></i>               |      |                                  |                                    |                             |                             |
| Fundraising and other income                                      |      | -                                | 3164                               | 3164                        | -                           |
| <i><b>Investment income:</b></i>                                  |      |                                  |                                    |                             |                             |
| Bank interest receivable                                          | 3    | -                                | 4498                               | 4498                        | 780                         |
| <b>TOTAL INCOME</b>                                               |      | -                                | 1568188                            | 1568188                     | 1624302                     |
| <b>EXPENDITURE</b>                                                |      |                                  |                                    |                             |                             |
| <i><b>Charitable activities:</b></i>                              |      |                                  |                                    |                             |                             |
| Direct Residential and day care costs                             |      | -                                | 1697070                            | 1697070                     | 1509291                     |
| <b>Other Costs</b>                                                |      | -                                | 20190                              | 20190                       | 14520                       |
| <b>Total Expenditure</b>                                          | 4    | -                                | 1717260                            | 1717260                     | 1523811                     |
| <b>Net outgoing/incoming resources</b>                            |      | -                                | (149072)                           | (149072)                    | 100491                      |
| Transfer between funds                                            |      | -                                | -                                  | -                           | -                           |
| <b>Net movement in Funds</b>                                      |      | -                                | (149072)                           | (149072)                    | 100491                      |
| <b>Fund balances brought forward at 1<sup>st</sup> July 2023</b>  |      | -                                | 439082                             | 439082                      | 338591                      |
| <b>Fund balances carried forward at 30<sup>th</sup> June 2024</b> |      | -                                | 290010                             | 290010                      | 439082                      |

The statement of financial activities includes all gains and losses recognised in the year.  
All incoming resources and resources expended derive from continuing activities.  
The notes on pages 14 to 21 form part of these accounts.

# EAST CLEVELAND MS HOME

## BALANCE SHEET

AS AT 30<sup>TH</sup> JUNE 2024

|                                                       |      | 2024            |                      | 2023            |                      |
|-------------------------------------------------------|------|-----------------|----------------------|-----------------|----------------------|
|                                                       | Note | £               | £                    | £               | £                    |
| <b>FIXED ASSETS</b>                                   |      |                 |                      |                 |                      |
| Tangible fixed assets                                 | 9    |                 | 103027               |                 | 83885                |
| <b>CURRENT ASSETS</b>                                 |      |                 |                      |                 |                      |
| Stocks                                                | 10   | 1400            |                      | 1300            |                      |
| Debtors                                               | 11   | 132947          |                      | 137720          |                      |
| Cash at bank and in hand                              | 12   | 192049          |                      | 354569          |                      |
|                                                       |      | <u>326396</u>   |                      | <u>493589</u>   |                      |
| <b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b> | 13   | <u>(139413)</u> |                      | <u>(138392)</u> |                      |
| <b>NET CURRENT ASSETS</b>                             |      |                 | <u>186983</u>        |                 | <u>355197</u>        |
| <b>NET ASSETS</b>                                     |      |                 | <u><u>290010</u></u> |                 | <u><u>439082</u></u> |
| <b>FUNDS</b>                                          |      |                 |                      |                 |                      |
| Restricted                                            | 15   |                 | -                    |                 | -                    |
| Unrestricted                                          | 16   |                 | <u>290010</u>        |                 | <u>439082</u>        |
|                                                       |      |                 | <u><u>290010</u></u> |                 | <u><u>439082</u></u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 11 to 21 were approved and authorised for issue by the trustees on and signed on their behalf by:

A Barnes .....

C V Greenley .....

### TRUSTEES

Dated

The notes on pages 14 to 21 form part of these accounts.

**EAST CLEVELAND MS HOME  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024**

|                                                             | Note | 2024<br>£         | 2023<br>£         |
|-------------------------------------------------------------|------|-------------------|-------------------|
| <b>Net cash flow from operating activities</b>              | 19   | <u>(127904)</u>   | <u>112909</u>     |
| <b>Cash flow from investing activities</b>                  |      |                   |                   |
| Payments to acquire tangible fixed assets                   |      | (39114)           | (16096)           |
| Receipts from sale tangible fixed assets                    |      | -                 | -                 |
| Interest received                                           |      | 4498              | 780               |
|                                                             |      | <u>          </u> | <u>          </u> |
| <b>Net cash flow from investing activities</b>              |      | <u>(34616)</u>    | <u>(15316)</u>    |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |      | (162520)          | 97593             |
| Cash and cash equivalents at 1 <sup>st</sup> July 2023      |      | <u>354569</u>     | <u>256976</u>     |
| Cash and cash equivalents at 30 <sup>th</sup> June 2024     |      | <u>192049</u>     | <u>354569</u>     |
| <b>Cash and cash equivalents consists of:</b>               |      |                   |                   |
| Cash at bank and in hand                                    |      | <u>192049</u>     | <u>354569</u>     |

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024**

**1. ACCOUNTING POLICIES**

**Charity Information**

East Cleveland MS Home is a private company limited by guarantee incorporated in England and Wales. The registered office is Edenhall Grove, Redcar, TS10 4PR. The charity constitutes a public benefit entity as defined by FRS102.

**Accounting convention**

These accounts have been prepared in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Ireland" ("FRS102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for Charities applying FRS102 and UK Generally Accepted Accounting Practice effective 1<sup>st</sup> January 2019.

The accounts are prepared in sterling which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

**Charitable Funds**

Unrestricted funds are available for use at the discretion of the trustees in the furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of restricted funds are set out in the notes to the accounts.

**Incoming Resources**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that the income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require the deferral of the amount. Income tax recoverable in relation to donations received under gift aid or deeds of covenant is recognised at the time of donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of VAT and other sales related taxes.

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024**

**1. ACCOUNTING POLICIES (Continued)**

**Tangible Fixed Assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                                  |                      |
|----------------------------------|----------------------|
| Conservatory & Staff Room Annexe | 25 years             |
| Gifted Assets                    | 10 years             |
| Fixtures, Fittings & Equipment   | 10 years             |
| Motor Vehicle                    | 25% reducing balance |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the net income for the year.

Recoverable amount is the higher of fair value, less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to the recoverable amount immediately in income/expenditure for the year, unless the relevant asset is carried in at a revalued amount, in which case the impairment loss is treated as revaluation decrease.

Recognised impairment losses are reversed if and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined if no carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as revaluation increase.

**Investments**

Investments are recognised initially at fair value which is normally the transaction value excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in "net gains / (losses) on investments" in the SOFA as the shares are publically traded and their fair value can be measured reliably.

**Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to sell. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured at cost. Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024**

**1. ACCOUNTING POLICIES (Continued)**

**Basic Financial Assets**

Basic financial assets which include debtors, cash and bank balances, are initially measured at transaction price including transaction costs and subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of future receipts discounted at a market rate of interest. Financial assets classified as receivable within 1 year are not amortised.

**Basic Financial Liabilities**

Basic Financial Liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within 1 year are not amortised. Debt instruments are subsequently measured at amortised cost, using the effective interest method.

**Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

**Employee Benefits**

When employees have rendered service to the charity, short term benefits to which the employees are Entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are charged as they become payable.

**Going Concern**

The financial statements have been prepared on a going concern basis, however we are currently in a loss making position and there are some uncertainties around the level of future levels of income and expenditure. Management and trustees are actively engaged in strategies to maximise revenues and minimise costs to secure the medium to long term future of the organization including discussions with local councils who are offering to fill beds and offer additional funding, however until discussions and negotiations are concluded and key decisions taken, there remains some uncertainty as to our financial stability.

**2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision effects only that period, or in the period of revision and future periods where the provision effects both current and future periods.

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024**

**3. INVESTMENT INCOME**

|                     | <b>2024</b>  | <b>2023</b>  |
|---------------------|--------------|--------------|
|                     | <b>Total</b> | <b>Total</b> |
|                     | <b>£</b>     | <b>£</b>     |
| Interest receivable | 4498         | 780          |
|                     | <u>4498</u>  | <u>780</u>   |

**4. TOTAL RESOURCES EXPENDED**

|                                              | <b>Basis<br/>of<br/>allocation</b> | <b>Charitable<br/>activities</b> | <b>Other<br/>costs</b> | <b>2024</b>    | <b>2023</b>    |
|----------------------------------------------|------------------------------------|----------------------------------|------------------------|----------------|----------------|
|                                              |                                    | <b>£</b>                         | <b>£</b>               | <b>£</b>       | <b>£</b>       |
| Staff Costs                                  | Staff time                         | 1374968                          | -                      | 1374968        | 1227735        |
| Rent & Rates                                 | Direct                             | 17322                            | -                      | 17322          | (5570)         |
| Vehicle Expenses                             | Direct                             | 4881                             | -                      | 4881           | 4385           |
| Insurance/Licence                            | Direct                             | 19415                            | -                      | 19415          | 19062          |
| Catering                                     | Direct                             | 50582                            | -                      | 50582          | 46689          |
| Maintenance                                  | Direct                             | 42958                            | -                      | 42958          | 45066          |
| Medical Supplies                             | Direct                             | 29051                            | -                      | 29051          | 31397          |
| Energy                                       | Direct                             | 56146                            | -                      | 56146          | 73755          |
| Administration                               | Direct                             | 31334                            | -                      | 31334          | 25472          |
| Audit/Accountancy                            | Direct                             | -                                | 20190                  | 20190          | 14520          |
| Subscriptions                                | Direct                             | 33572                            | -                      | 33572          | 12401          |
| Depreciation (including<br>Loss on Disposal) | Direct                             | 19972                            | -                      | 19972          | 16784          |
| Bad Debts                                    | Direct                             | 6860                             | -                      | 6860           | 773            |
| Registration Fees                            | Direct                             | 3371                             | -                      | 3371           | 3158           |
| Bank Charges                                 | Direct                             | 136                              | -                      | 136            | 200            |
| Miscellaneous                                | Direct                             | 6502                             | -                      | 6502           | 7984           |
| <b>TOTAL RESOURCES<br/>EXPENDED</b>          |                                    | <u>1697070</u>                   | <u>20190</u>           | <u>1717260</u> | <u>1523811</u> |

Of expenditure of £1717260 (2023:£1523811) £1717260 (2023:£1523311) related to unrestricted and £NIL (2023: £500) related to restricted funds.

**5. NET INCOMING RESOURCES FOR THE YEAR**

This is stated after charging:

|                                         | <b>2024</b> | <b>2023</b> |
|-----------------------------------------|-------------|-------------|
|                                         | <b>£</b>    | <b>£</b>    |
| Depreciation/loss on disposal of assets | 19972       | 16784       |
| Auditors remuneration                   | 11578       | 9970        |
| Other Accountancy fees                  | <u>8612</u> | <u>4550</u> |

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024**

**6. TRUSTEES REMUNERATION, EXPENSES AND TRANSACTIONS**

The trustees neither received nor waived any emoluments during the year (2023: £ nil). There were no trustee expenses paid (2023: £ nil). No transactions with trustees or connected parties took place during the year (2023: £nil).

The Home is covered under its general insurance policy for any actions of its trustees.

**7. STAFF COSTS**

Staff costs were as follows:-

|                                      | <b>2024</b>    | <b>2023</b>    |
|--------------------------------------|----------------|----------------|
|                                      | <b>£</b>       | <b>£</b>       |
| Wages, Salaries, Agency and Training | 1292184        | 1148013        |
| Social Security Costs                | 66425          | 63864          |
| Pension Costs                        | 16359          | 15858          |
|                                      | <u>1374968</u> | <u>1227735</u> |

No employee received emoluments of more than £60,000.

The average number of persons employed during the year, analysed by

|                               | <b>Fulltime Equivalent</b> |             |
|-------------------------------|----------------------------|-------------|
|                               | <b>2024</b>                | <b>2023</b> |
| Management and Administration | 4                          | 4           |
| Catering                      | 4                          | 4           |
| Domestic and Laundry          | 6                          | 6           |
| Nursing and Clinical Lead     | 8                          | 8           |
| Care Staff                    | 18                         | 19          |
| Drivers/Gardner's/Handyman    | 2                          | 3           |
|                               | <u>42</u>                  | <u>44</u>   |

**8. TAXATION**

The trust is a registered charity and as such is exempt from Income Tax, Corporation Tax or Capital Gains Tax on its charitable activities.

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024**

**9. TANGIBLE ASSETS**

|                               | Staff<br>Room<br>Annexe<br>£ | Conservatory<br>£ | Fixtures,<br>& Fittings<br>Equipment<br>£ | Motor<br>Vehicle<br>£ | Gifted<br>Assets<br>£ | Total<br>£    |
|-------------------------------|------------------------------|-------------------|-------------------------------------------|-----------------------|-----------------------|---------------|
| <b>COST</b>                   |                              |                   |                                           |                       |                       |               |
| At 1 <sup>st</sup> July 2023  | 26856                        | 43069             | 396068                                    | 16244                 | 7260                  | 489497        |
| Additions                     | -                            | -                 | 39114                                     | -                     | -                     | 39114         |
| Disposal                      | -                            | -                 | -                                         | -                     | -                     | -             |
|                               | <u>26856</u>                 | <u>43069</u>      | <u>435182</u>                             | <u>16244</u>          | <u>7260</u>           | <u>528611</u> |
| At 30 <sup>th</sup> June 2024 | <u>26856</u>                 | <u>43069</u>      | <u>435182</u>                             | <u>16244</u>          | <u>7260</u>           | <u>528611</u> |
| <b>DEPRECIATION</b>           |                              |                   |                                           |                       |                       |               |
| At 1 <sup>st</sup> July 2023  | 26856                        | 43069             | 315636                                    | 12791                 | 7260                  | 405612        |
| Disposal                      | -                            | -                 | -                                         | -                     | -                     | -             |
| Charge for the year           | -                            | -                 | 19109                                     | 863                   | -                     | 19972         |
|                               | <u>26856</u>                 | <u>43069</u>      | <u>334745</u>                             | <u>13654</u>          | <u>7260</u>           | <u>425584</u> |
| At 30 <sup>th</sup> June 2024 | <u>26856</u>                 | <u>43069</u>      | <u>334745</u>                             | <u>13654</u>          | <u>7260</u>           | <u>425584</u> |
| <b>NET BOOK VALUE</b>         |                              |                   |                                           |                       |                       |               |
| At 30 <sup>th</sup> June 2024 | <u>-</u>                     | <u>-</u>          | <u>100437</u>                             | <u>2590</u>           | <u>-</u>              | <u>103027</u> |
| At 30 <sup>th</sup> June 2023 | <u>-</u>                     | <u>-</u>          | <u>80432</u>                              | <u>3453</u>           | <u>-</u>              | <u>83885</u>  |

**10. STOCKS**

|                 | <b>2024</b><br><b>£</b> | <b>2023</b><br><b>£</b> |
|-----------------|-------------------------|-------------------------|
| Catering stocks | <u>1400</u>             | <u>1300</u>             |

**11. DEBTORS**

|                                | <b>2024</b><br><b>£</b> | <b>2023</b><br><b>£</b> |
|--------------------------------|-------------------------|-------------------------|
| Trade Debtors                  | 101614                  | 89707                   |
| Prepayments and Accrued Income | 28782                   | 38863                   |
| Other Debtors                  | 2551                    | 9150                    |
|                                | <u>132947</u>           | <u>137720</u>           |

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024**

| <b>12. BANK AND CASH</b>       | <b>2024</b> | <b>2023</b> |
|--------------------------------|-------------|-------------|
|                                | <b>£</b>    | <b>£</b>    |
| Current Account                | 188770      | 207475      |
| Virgin Money                   | 1086        | 60935       |
| Cambridge & Counties/Shawbrook | -           | 85030       |
| Cash in Hand                   | 2193        | 1129        |
|                                | <hr/>       | <hr/>       |
|                                | 192049      | 354569      |
|                                | <hr/>       | <hr/>       |

| <b>13. CREDITORS</b>                   | <b>2024</b> | <b>2023</b> |
|----------------------------------------|-------------|-------------|
|                                        | <b>£</b>    | <b>£</b>    |
| Amounts falling due within one year    |             |             |
| Trade Creditors                        | 39774       | 51189       |
| Accruals and Other Creditors           | 95964       | 76703       |
| Other Creditors – Staff Christmas Club | 3675        | 10500       |
|                                        | <hr/>       | <hr/>       |
|                                        | 139413      | 138392      |
|                                        | <hr/>       | <hr/>       |

**14. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

| <b>2024</b>           | <b>Unrestricted Funds</b> | <b>Restricted Funds</b> | <b>Total</b> |
|-----------------------|---------------------------|-------------------------|--------------|
|                       | <b>£</b>                  | <b>£</b>                | <b>£</b>     |
| Tangible Fixed Assets | 103027                    | -                       | 103027       |
| Net Current Assets    | 186983                    |                         | 186983       |
|                       | <hr/>                     | <hr/>                   | <hr/>        |
|                       | 290010                    | -                       | 290010       |
|                       | <hr/>                     | <hr/>                   | <hr/>        |

| <b>2023</b>           | <b>Unrestricted Funds</b> | <b>Restricted Funds</b> | <b>Total</b> |
|-----------------------|---------------------------|-------------------------|--------------|
|                       | <b>£</b>                  | <b>£</b>                | <b>£</b>     |
| Tangible Fixed Assets | 83885                     | -                       | 83885        |
| Net Current Assets    | 355197                    | -                       | 355197       |
|                       | <hr/>                     | <hr/>                   | <hr/>        |
|                       | 439082                    | -                       | 439082       |
|                       | <hr/>                     | <hr/>                   | <hr/>        |

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024**

| <b>15. RESTRICTED FUNDS</b> | <b>2024</b> | <b>2023</b> |
|-----------------------------|-------------|-------------|
|                             | <b>£</b>    | <b>£</b>    |
| At beginning of Year        | -           | -           |
| Incoming Resources          | -           | 500         |
| Resources expended          | -           | (500)       |
| Transfer between funds      | -           | -           |
|                             | <u>-</u>    | <u>-</u>    |
|                             | <u>-</u>    | <u>-</u>    |

**Purpose of Restricted Funds**

**2023**

The restricted fund was a support grant to cover recruitment

| <b>16. UNRESTRICTED FUNDS</b> | <b>2024</b>   | <b>2023</b>   |
|-------------------------------|---------------|---------------|
|                               | <b>£</b>      | <b>£</b>      |
| At beginning of Year          | 439082        | 338591        |
| Incoming Resources            | 1568188       | 1623802       |
| Resources expended            | (1717260)     | (1523311)     |
| Transfer between funds        | -             | -             |
|                               | <u>290010</u> | <u>439082</u> |
|                               | <u>290010</u> | <u>439082</u> |

**17. TRUSTEE CONTRIBUTION**

Every Member of the Trust undertakes to contribute to the assets of the Trust in the event of its being wound up, while he or she is a member, or within one year after he or she ceased to be a member, for payments of the debts and liabilities of the Trust contracted before he or she ceased to be a member, and of the costs, charges and expenses of winding up and for the adjustment or the rights of the contributories among themselves, such amount as may be required not exceeding one pound.

There are 6 members.

**18. RELATED PARTY TRANSACTIONS**

There were no transactions with related parties in the period that require disclosure under FRS102.

**19. RECONCILIATION OF NET INCOME/EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES**

|                                                      | <b>2024</b>     | <b>2023</b>   |
|------------------------------------------------------|-----------------|---------------|
|                                                      | <b>£</b>        | <b>£</b>      |
| Net income/expenditure for the year                  | (149072)        | 100491        |
| Interest Received                                    | (4498)          | (780)         |
| Depreciation and impairment of tangible fixed assets | 19972           | 16784         |
| (Increase in stock)                                  | (100)           | (325)         |
| (Increase) Decrease in debtors                       | 4773            | (13742)       |
| Increase in creditors                                | 1021            | 10481         |
|                                                      | <u>(127904)</u> | <u>112909</u> |
| <b>Net cash flow from operating activities</b>       | <u>(127904)</u> | <u>112909</u> |

**EAST CLEVELAND MS HOME**  
**INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 30<sup>TH</sup> JUNE 2024**

|                                             | <b>2024</b>    | <b>2023</b>    |
|---------------------------------------------|----------------|----------------|
| <b>INCOME</b>                               | <b>£</b>       | <b>£</b>       |
| Residents' Fees                             | 1540463        | 1536215        |
| Grants                                      | -              | 500            |
|                                             | <hr/>          | <hr/>          |
| <b>TOTAL INCOME</b>                         | <b>1540463</b> | <b>1536715</b> |
|                                             | <hr/> <hr/>    | <hr/> <hr/>    |
| <b>DIRECT EXPENSES</b>                      |                |                |
| Salaries, Wages & Oncosts                   | 1366966        | 1212535        |
| Bad Debts                                   | 6860           | 773            |
| Staff Training                              | 6236           | 13461          |
| Catering Supplies                           | 50582          | 46689          |
| Staff Social Fund - Vouchers                | 1766           | 1739           |
|                                             | <hr/>          | <hr/>          |
| <b>TOTAL DIRECT EXPENSES</b>                | <b>1432410</b> | <b>1275197</b> |
|                                             | <hr/> <hr/>    | <hr/> <hr/>    |
| <b>GROSS SURPLUS</b>                        | <b>108053</b>  | <b>261518</b>  |
|                                             | <hr/> <hr/>    | <hr/> <hr/>    |
| <b>OVERHEADS</b>                            |                |                |
| <b>RENT AND RATES</b>                       |                |                |
| Rent                                        | 11253          | (7488)         |
| Water Rates                                 | 4377           | -              |
| General Rates                               | 1693           | 1918           |
|                                             | <hr/>          | <hr/>          |
|                                             | <b>17323</b>   | <b>(5570)</b>  |
|                                             | <hr/> <hr/>    | <hr/> <hr/>    |
| <b>FEES AND INSURANCE</b>                   |                |                |
| Audit and Accountancy Fees                  | 20190          | 14520          |
| Subscriptions, Professional and Consultancy | 33572          | 12401          |
| Bank Charges                                | 136            | 200            |
| Insurance                                   | 19094          | 18834          |
| Registration Fees                           | 3371           | 3158           |
| TV Licences                                 | 321            | 228            |
|                                             | <hr/>          | <hr/>          |
|                                             | <b>76684</b>   | <b>49341</b>   |
|                                             | <hr/> <hr/>    | <hr/> <hr/>    |
| <b>VEHICLE EXPENSES</b>                     |                |                |
| Fuel and Oil                                | 1955           | 2011           |
| Repair                                      | 1099           | 697            |
| Tax and Insurance                           | 1135           | 1237           |
| Miscellaneous and Travel                    | 692            | 441            |
|                                             | <hr/>          | <hr/>          |
|                                             | <b>4881</b>    | <b>4386</b>    |
|                                             | <hr/> <hr/>    | <hr/> <hr/>    |

# EAST CLEVELAND MS HOME

## INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 30<sup>TH</sup> JUNE 2024

|                                      | 2024<br>£    | 2023<br>£    |
|--------------------------------------|--------------|--------------|
| <b>CLEANING AND MEDICAL SUPPLIES</b> |              |              |
| Laundry Supplies                     | 4986         | 7579         |
| Cleaning Materials                   | 8879         | 6335         |
| Medical Consumables                  | 15186        | 17483        |
|                                      | <u>29051</u> | <u>31397</u> |
| <b>MAINTENANCE</b>                   |              |              |
| Property & Equipment Repairs         | 34691        | 37623        |
| Office Equipment Repair              | 11051        | 7094         |
| Refuse Collection                    | 8267         | 7443         |
|                                      | <u>54009</u> | <u>52160</u> |
| <b>ENERGY</b>                        |              |              |
| Electricity & Gas                    | 56146        | 73755        |
|                                      | <u>56146</u> | <u>73755</u> |
| <b>ADMINISTRATION</b>                |              |              |
| Telephone and Internet               | 13624        | 12763        |
| Advertising                          | 2078         | 1531         |
| Stationery                           | 3705         | 3279         |
| Postage                              | 96           | 114          |
| Equipment Rental                     | 779          | 690          |
|                                      | <u>20282</u> | <u>18377</u> |
| <b>MISCELLANEOUS</b>                 |              |              |
| Miscellaneous/Newspapers             | 3398         | 5413         |
| Staff Uniforms                       | 1562         | 1626         |
| Towels and Bedding                   | 1121         | 567          |
| Aquarium Maintenance and supplies    | 421          | 378          |
|                                      | <u>6502</u>  | <u>7984</u>  |

**EAST CLEVELAND MS HOME**  
**INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 30<sup>TH</sup> JUNE 2024**

|                                | <b>2024</b>     | <b>2023</b>   |
|--------------------------------|-----------------|---------------|
|                                | <b>£</b>        | <b>£</b>      |
| <b>OTHER EXPENSES</b>          |                 |               |
| Depreciation/Loss on Sale      | 19972           | 16784         |
|                                | <u>19972</u>    | <u>16784</u>  |
| <b>TOTAL OVERHEADS</b>         | <u>284850</u>   | <u>248614</u> |
| <b>TRADING SURPLUS/DEFICIT</b> | <u>(176797)</u> | <u>12904</u>  |
| <b>OTHER INCOME</b>            |                 |               |
| Catering Income                | 3164            | -             |
| Donations Received             | 20063           | 86807         |
| Bank Interest Received         | 4498            | 780           |
| <b>NET (DEFICIT)/SURPLUS</b>   | <u>(149072)</u> | <u>100491</u> |

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# Accounts

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**EAST CLEVELAND MS HOME**

**TRUSTEES' REPORT AND  
STATEMENT OF ACCOUNTS**

**YEAR ENDED 30<sup>TH</sup> JUNE 2023**

**COMPANY LIMITED BY GUARANTEE  
(The Company does not have a share capital)**

**REGISTERED CHARITY NUMBER 519232  
COMPANY NUMBER : 2152724**

## EAST CLEVELAND MS HOME

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**EAST CLEVELAND MS HOME  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 30 JUNE 2023**

The East Cleveland MS Home is also known as the Ann Charlton Lodge.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charities governing document, the Companies Act 2016 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective 1<sup>st</sup> January 2019

**REFERENCE & ADMINISTRATIVE DETAILS**

Charity number 519232  
Company number 2152724

**Registered Office:** Edenhall Grove  
REDCAR  
TS10 4PR

**Trustees:**

The trustees are directors of the Company for the purpose of Company law. The trustees serving during the year and up to the date of this report:-

P W Wilson - Chairman (resigned 15/11/23)  
Mrs A Barnes (Chair appointed 25/3/24, Trustee appointed 26/6/23)  
C V Greenley – Secretary  
Mrs R Hewitt  
C Johnston  
P Sotheran MBE (resigned 1/10/23)  
R Fox (resigned 1/11/23)  
L Minns  
C Wallis (resigned 26/2/24)  
S Dunn (appointed 23/10/23)

**Honorary Secretary:** C V Greenley

**Bankers:** HSBC Bank PLC, 60 Albert Road, Middlesbrough, TS1 1RS.  
Virgin Money plc, Jubilee House, Gosforth, NE3 4PL.

**Auditors:** Graham Fitzgerald  
Azets Audit Services,  
Wynyard Park House,  
Wynyard Avenue,  
Wynyard,  
TS22 5TB

**Solicitors:** Cygnet Law  
Portland House  
West Dyke Road  
REDCAR TS10 1DH

## **EAST CLEVELAND MS HOME**

### **REPORT OF THE TRUSTEES**

**FOR THE YEAR ENDED 30 JUNE 2023**

#### **STRUCTURE, GOVERNANCE & MANAGEMENT**

##### **Governing Document**

The charity is a charitable company limited by guarantee and was set up 7 May 1987. It is governed by a memorandum and articles of association. Its objects are to bring relief to the sufferers of Multiple Sclerosis and other diseases of the central nervous system in Cleveland and the surrounding area.

##### **Appointment of trustees**

As set out in the Articles of Association, trustees are appointed by the Board of Trustees and every year one third of the trustees shall retire from office and may put themselves forward for re-election at the Annual General Meeting. Also, any new trustees elected during the year shall only hold office until the next following Annual General Meeting and shall then be eligible for re-election.

All members are circulated with invitations to nominate trustees prior to the AGM advising them of the retiring trustees and requesting nominations for the AGM.

The Trustees maintain an 'equal opportunity' policy whether it is age, sex, ethnicity or disability with regard to recruiting new Trustees and work to maintain a balance of experience and skills. All candidates are required to make a formal written application, giving the names of two suitable referees; they are also required to undergo an enhanced DBS check before being interviewed by a panel of Trustees who will assess the suitability of the candidate.

##### **Trustee induction and training**

New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

##### **Organisation**

The board of trustees administers the charity. The Trustees meet every month to review operations and to make any decisions required on the running of the Home. Members of the Home guarantee to contribute an amount not exceeding £1 to the assets of the Home in the event of winding up. The total number of such guarantees at 30<sup>th</sup> June 2023 was 6 (2022 – 8).

##### **Investment Powers, Policy and Performance**

The Trustees investment powers are governed by the Memorandum and Articles of Association which permits the Home's funds not immediately required for its purposes to be invested in any such investments, securities or property as may be thought fit.

The Board's policy is to invest in high interest savings accounts and low risk investments, such as investment in a portfolio of stocks and shares in blue chip companies specially tailored for charitable companies.

The Home's investments have continued to be managed in conformity with our policy and the Memorandum and Articles of Association and their performance for the year has been in line with our expectations, thanks to the expert advice of our investment advisor and the close control exercised by the management team.

**EAST CLEVELAND M S HOME**  
**REPORT OF THE TRUSTEES (CONTINUED)**

**Risk Review**

Through the regular involvement in the management of the Home, the Trustees are aware of the risks involved in running the Home. Policies and procedures are in place to mitigate these risks. An annual budget for the year ahead is in place to guide the Trustees and is regularly reviewed. Internal risks are minimised by the implementation of procedures for the authorisation of all transactions and projects, to ensure the consistent quality of delivery for all operational aspects of the Lodge. These procedures are periodically reviewed to ensure that they still meet the needs of the Home and requirements of the regulatory body.

**Re-election of Trustees**

In accordance with clause 31 and 34 of the Articles of Association, the under mentioned resign as Trustees and offer themselves for re-election.

Mrs Rose Hewitt  
Mrs Linda Minns

**OBJECTIVES**

**Objectives**

The Trust was established for the relief of sickness in persons suffering from Multiple Sclerosis in Cleveland and the surrounding area, through the provision of a residential care home offering long and short stay accommodation, together with day care facilities. The Home now looks after not only people with multiple sclerosis but all conditions of the central nervous system. Day care facilities are no longer available. The Trust is registered as a care home with nursing and currently looks after 24 residents and has 1 respite room.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing its aims and objectives in planning its future activities

**ACHIEVEMENTS & PERFORMANCE**

**Achievements during the Year**

The Trustees have been active in giving guidance where required on the Home's activities and business planning including monthly inspections of the Home where every facet of the day to day running of the organisation is scrutinised and audited.

Negotiations with Thirteen Group for a new lease were being finalised with the lease finally being signed in September 2023.

With the effects of Covid 19 diminishing, the Home returned to some kind of normality and enabled us to maintain almost full occupancy for the year. Sadly, our care home manager, Sarah Jemson left to further her career in March 2023 after 3 years service. Since then, we have struggled to find a suitable replacement and have also struggled to find suitable Trustees.

With low occupancy, due to lack of referrals, causing great pressure on the Home's finances and the difficulty in finding a suitable manager and new Trustees, the decision was taken in February 2024 to close the Home. However this decision was reversed in March 2024 after strong support came from Redcar and Cleveland Council to ensure the short to medium term viability and an undertaking to be pro-active in filling beds.

**EAST CLEVELAND M S HOME**  
**REPORT OF THE TRUSTEES (CONTINUED)**

## **FINANCIAL REVIEW**

### **Results**

The Trust had a net inflow of resources amounting to £100,491 with reserves now standing at £439,082. This compares with a net outflow of £79,437 in the previous trading year. This was a much better trading year due to good occupancy levels and despite a sharp increase in the cost of energy caused by global shortages. The costs of using agency staff also dragged on the Lodge's performance.

The statement of Financial Activities on page 11 shows the Home's income and how it has been spent during the year. The Trustees are very grateful for the support received through the efforts of its staff in fundraising as well as other benefactors, including a large legacy.

After six poor trading years, the Lodge's finances improved due to better occupancy levels. However, towards the end of the trading year occupancy levels were falling and next year will be challenging. Meanwhile, it is essential to maintain the continuing financial support of the public to maintain our excellent level of service and more focus is being placed on increased sponsorship and fundraising. In addition to our savings the Lodge also has funds of some £86,000 lodged with Thirteen Group to cover any major repairs or refurbishment to the external buildings.

## **PLANS FOR FUTURE PERIODS**

### **Future Strategy**

This financial year demonstrates once again the need for caution and careful control of expenditure. Our level of reserves are much depleted but with increased funding having been agreed with Redcar Council, if we can improve occupancy levels, then we should be able to start to build up reserves again. The Trustees continue to look at ways to reduce staffing costs through restructuring and efficiency savings and to have better systems in place, including a new website, to attract future clients. Further the Trustees are working hard to strengthen the Board of Trustees with a view to bring in more expertise and new ideas including increased focus on fundraising. We draw your attention to the going concern accounting policy on page 16, this sets out our current position in respect of the going concern of the organisation.

### **Reserves Policy - Funds**

Whilst the Lodge has seen an improvements in its level of reserves, the Trustees still continue to monitor closely the investment strategy to maximise income and protect, as far as is possible, these reserves so as to guarantee the future of the Ann Charlton Lodge for the foreseeable future. Prompt action is taken to address adverse trends.

**EAST CLEVELAND M S HOME**  
**REPORT OF THE TRUSTEES (CONTINUED)**

**Statement of trustees Responsibilities for Preparing Accounts**

The Trustees (who are also Directors of the East Cleveland MS Home for the purposes of Charity and Company law) are responsible for preparing the Trustees Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company and Charity law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Institution and of the incoming resources and application of the same, including income and expenditure, of the Institution for that period. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Institution will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Institution and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Institution and hence for taking reasonable steps for the prevention of fraud and other irregularities.

**Statement of Disclosure of Information to Auditors**

- There is no relevant audit information of which the company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditors**

Azets Audit Services were re-appointed as the Home's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the Trustees and signed on their behalf by:-

Trustee: C V Greenley

Dated 25<sup>th</sup> March 2024

## **EAST CLEVELAND MS HOME**

### **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF EAST CLEVELAND MS HOME FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**

#### **Opinion**

We have audited the financial statements of East Cleveland MS Home (the charitable company') for the year ended 30<sup>th</sup> June 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 30<sup>th</sup> June 2023 and of its incoming resources and application of resources including its income and expenditure for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Material uncertainty relating to going concern**

We draw attention to note 1 in the financial statements ("Going Concern"), which indicates that the company is in a position where losses are being incurred going forward and the charity is struggling to fill beds, solutions are being sought to secure the financial stability of the company including discussions with the local council. As stated in note 1, at the present time there is a material uncertainty that casts doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **EAST CLEVELAND MS HOME**

### **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF EAST CLEVELAND MS HOME FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

## **EAST CLEVELAND MS HOME**

### **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF EAST CLEVELAND MS HOME FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities including fraud is detailed below:

- Enquiry of management and those charged with governance around actual potential litigation and claims.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## **EAST CLEVELAND MS HOME**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EAST CLEVELAND MS HOME**

#### **Auditor's responsibilities for the audit of the financial statements (continued)**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Graham Fitzgerald BA FCA DChA  
Senior Statutory auditor  
For and on behalf of  
Azets Audit Services  
Wynyard Park House  
Wynyard Avenue  
Wynyard  
TS22 5TB

Date:.....

# EAST CLEVELAND MS HOME

## STATEMENT OF FINANCIAL ACTIVITIES (including Income & Expenditure Account)

YEAR ENDED 30<sup>TH</sup> JUNE 2023

|                                                                   | Note | Restricted<br>Funds<br>2023<br>£ | Unrestricted<br>Funds<br>2023<br>£ | Total<br>Funds<br>2023<br>£ | Total<br>Funds<br>2022<br>£ |
|-------------------------------------------------------------------|------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| <b>INCOME AND RECEIPT OF ENDOWMENT</b>                            |      |                                  |                                    |                             |                             |
| <i><b>Income from Donations and Legacies:</b></i>                 |      |                                  |                                    |                             |                             |
| Donations and Gifts                                               |      | -                                | 86807                              | 86807                       | 27261                       |
| Grants Receivable                                                 |      | 500                              | -                                  | 500                         | 99765                       |
| <i><b>Income from charitable activities:</b></i>                  |      |                                  |                                    |                             |                             |
| Fees for residential care                                         |      | -                                | 1536215                            | 1536215                     | 1263613                     |
| <i><b>Income from other Trading Activities:</b></i>               |      |                                  |                                    |                             |                             |
| Fundraising and other income                                      |      | -                                | -                                  | -                           | 2517                        |
| <i><b>Investment income:</b></i>                                  |      |                                  |                                    |                             |                             |
| Bank interest receivable                                          | 3    | -                                | 780                                | 780                         | 344                         |
| <b>TOTAL INCOME</b>                                               |      | <u>500</u>                       | <u>1623802</u>                     | <u>1624302</u>              | <u>1393500</u>              |
| <b>EXPENDITURE</b>                                                |      |                                  |                                    |                             |                             |
| <i><b>Charitable activities:</b></i>                              |      |                                  |                                    |                             |                             |
| Direct Residential and day care costs                             |      | 500                              | 1508791                            | 1509291                     | 1459977                     |
| <b>Other Costs</b>                                                |      | <u>-</u>                         | <u>14520</u>                       | <u>14520</u>                | <u>12960</u>                |
| <b>Total Expenditure</b>                                          | 4    | <u>500</u>                       | <u>1523311</u>                     | <u>1523811</u>              | <u>1472937</u>              |
| <b>Net outgoing/incoming resources</b>                            |      | -                                | 100491                             | 100491                      | (79437)                     |
| Transfer between funds                                            |      | -                                | -                                  | -                           | -                           |
| <b>Net movement in Funds</b>                                      |      | -                                | 100491                             | 100491                      | (79437)                     |
| <b>Fund balances brought forward at 1<sup>st</sup> July 2022</b>  |      | <u>-</u>                         | <u>338591</u>                      | <u>338591</u>               | <u>418028</u>               |
| <b>Fund balances carried forward at 30<sup>th</sup> June 2023</b> |      | <u>-</u>                         | <u>439082</u>                      | <u>439082</u>               | <u>338591</u>               |

The statement of financial activities includes all gains and losses recognised in the year.  
All incoming resources and resources expended derive from continuing activities.  
The notes on pages 14 to 21 form part of these accounts.

# EAST CLEVELAND MS HOME

## BALANCE SHEET

AS AT 30<sup>TH</sup> JUNE 2023

|                                                       |      | 2023            |                      | 2022            |                      |
|-------------------------------------------------------|------|-----------------|----------------------|-----------------|----------------------|
|                                                       | Note | £               | £                    | £               | £                    |
| <b>FIXED ASSETS</b>                                   |      |                 |                      |                 |                      |
| Tangible fixed assets                                 | 9    |                 | 83885                |                 | 84573                |
| <b>CURRENT ASSETS</b>                                 |      |                 |                      |                 |                      |
| Stocks                                                | 10   | 1300            |                      | 975             |                      |
| Debtors                                               | 11   | 137720          |                      | 123978          |                      |
| Cash at bank and in hand                              | 12   | 354569          |                      | 256976          |                      |
|                                                       |      | <u>493589</u>   |                      | <u>381929</u>   |                      |
| <b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b> | 13   | <u>(138392)</u> |                      | <u>(127911)</u> |                      |
| <b>NET CURRENT ASSETS</b>                             |      |                 | <u>355197</u>        |                 | <u>254018</u>        |
| <b>NET ASSETS</b>                                     |      |                 | <u><u>439082</u></u> |                 | <u><u>338591</u></u> |
| <b>FUNDS</b>                                          |      |                 |                      |                 |                      |
| Restricted                                            | 15   |                 | -                    |                 | -                    |
| Unrestricted                                          | 16   |                 | <u>439082</u>        |                 | <u>338591</u>        |
|                                                       |      |                 | <u><u>439082</u></u> |                 | <u><u>338591</u></u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 11 to 21 were approved and authorised for issue by the trustees on and signed on their behalf by:

S Dunn .....

C V Greenley .....

### TRUSTEES

Dated 25<sup>th</sup> March 2024

The notes on pages 14 to 21 form part of these accounts.

**EAST CLEVELAND MS HOME  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**

|                                                             | Note | 2023<br>£         | 2022<br>£         |
|-------------------------------------------------------------|------|-------------------|-------------------|
| <b>Net cash flow from operating activities</b>              | 19   | <u>112909</u>     | <u>(11024)</u>    |
| <b>Cash flow from investing activities</b>                  |      |                   |                   |
| Payments to acquire tangible fixed assets                   |      | (16096)           | (18068)           |
| Receipts from sale tangible fixed assets                    |      | -                 | 5000              |
| Interest received                                           |      | 780               | 344               |
|                                                             |      | <u>          </u> | <u>          </u> |
| <b>Net cash flow from investing activities</b>              |      | <u>(15316)</u>    | <u>(12724)</u>    |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |      | 97593             | (23748)           |
| Cash and cash equivalents at 1 <sup>st</sup> July 2022      |      | <u>256976</u>     | <u>280724</u>     |
| Cash and cash equivalents at 30 <sup>th</sup> June 2023     |      | <u>354569</u>     | <u>256976</u>     |
| <b>Cash and cash equivalents consists of:</b>               |      |                   |                   |
| Cash at bank and in hand                                    |      | <u>354569</u>     | <u>256976</u>     |

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**

**1. ACCOUNTING POLICIES**

**Charity Information**

East Cleveland MS Home is a private company limited by guarantee incorporated in England and Wales. The registered office is Edenhall Grove, Redcar, TS10 4PR. The charity constitutes a public benefit entity as defined by FRS102.

**Accounting convention**

These accounts have been prepared in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Ireland" ("FRS102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for Charities applying FRS102 and UK Generally Accepted Accounting Practice effective 1<sup>st</sup> January 2019.

The accounts are prepared in sterling which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

**Charitable Funds**

Unrestricted funds are available for use at the discretion of the trustees in the furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of restricted funds are set out in the notes to the accounts.

**Incoming Resources**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that the income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require the deferral of the amount. Income tax recoverable in relation to donations received under gift aid or deeds of covenant is recognised at the time of donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of VAT and other sales related taxes.

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**

**1. ACCOUNTING POLICIES (Continued)**

**Tangible Fixed Assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                                  |                      |
|----------------------------------|----------------------|
| Conservatory & Staff Room Annexe | 25 years             |
| Gifted Assets                    | 10 years             |
| Fixtures, Fittings & Equipment   | 10 years             |
| Motor Vehicle                    | 25% reducing balance |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the net income for the year.

Recoverable amount is the higher of fair value, less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to the recoverable amount immediately in income/expenditure for the year, unless the relevant asset is carried in at a revalued amount, in which case the impairment loss is treated as revaluation decrease.

Recognised impairment losses are reversed if and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined if no carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as revaluation increase.

**Investments**

Investments are recognised initially at fair value which is normally the transaction value excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in "net gains / (losses) on investments" in the SOFA as the shares are publically traded and their fair value can be measured reliably.

**Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to sell. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured at cost. Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**

**1. ACCOUNTING POLICIES (Continued)**

**Basic Financial Assets**

Basic financial assets which include debtors, cash and bank balances, are initially measured at transaction price including transaction costs and subsequently carries at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of future receipts discounted at a market rate of interest. Financial assets classified as receivable within 1 year are not amortised.

**Basic Financial Liabilities**

Basic Financial Liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within 1 year are not amortised. Debt instruments are subsequently measured at amortised cost, using the effective interest method.

**Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

**Employee Benefits**

When employees have rendered service to the charity, short term benefits to which the employees are Entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are charged as they become payable.

**Going Concern**

The financial statements have been prepared on a going concern basis, however we are currently in a loss making position and there are some uncertainties around the level of future levels of income and expenditure. Management and trustees are actively engaged in strategies to maximise revenues and minimise costs to secure the medium to long term future of the organization including discussions with local councils who are offering to fill beds and offer additional funding, however until discussions and negotiations are concluded and key decisions taken, there remains some uncertainty as to our financial stability.

**2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision effects only that period, or in the period of revision and future periods where the provision effects both current and future periods.

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**

**3. INVESTMENT INCOME**

|                     | <b>2023</b>  | <b>2022</b>  |
|---------------------|--------------|--------------|
|                     | <b>Total</b> | <b>Total</b> |
|                     | <b>£</b>     | <b>£</b>     |
| Interest receivable | 780          | 344          |
|                     | <u>780</u>   | <u>344</u>   |

**4. TOTAL RESOURCES EXPENDED**

|                                              | <b>Basis<br/>of<br/>allocation</b> | <b>Charitable<br/>activities</b> | <b>Other<br/>costs</b> | <b>2023</b>    | <b>2022</b>    |
|----------------------------------------------|------------------------------------|----------------------------------|------------------------|----------------|----------------|
|                                              |                                    | <b>£</b>                         | <b>£</b>               | <b>£</b>       | <b>£</b>       |
| Staff Costs                                  | Staff time                         | 1227735                          | -                      | 1227735        | 1179393        |
| Rent & Rates                                 | Direct                             | (5570)                           | -                      | (5570)         | 23325          |
| Vehicle Expenses                             | Direct                             | 4385                             | -                      | 4385           | 4955           |
| Insurance/Licence                            | Direct                             | 19062                            | -                      | 19062          | 13864          |
| Catering                                     | Direct                             | 46689                            | -                      | 46689          | 36241          |
| Maintenance                                  | Direct                             | 45066                            | -                      | 45066          | 45725          |
| Medical Supplies                             | Direct                             | 31397                            | -                      | 31397          | 28684          |
| Energy                                       | Direct                             | 73755                            | -                      | 73755          | 27683          |
| Administration                               | Direct                             | 25472                            | -                      | 25472          | 28164          |
| Audit/Accountancy                            | Direct                             | -                                | 14520                  | 14520          | 12960          |
| Subscriptions                                | Direct                             | 12401                            | -                      | 12401          | 12229          |
| Depreciation (including<br>Loss on Disposal) | Direct                             | 16784                            | -                      | 16784          | 19531          |
| Bad Debts                                    | Direct                             | 773                              | -                      | 773            | 29307          |
| Registration Fees                            | Direct                             | 3158                             | -                      | 3158           | 3331           |
| Bank Charges                                 | Direct                             | 200                              | -                      | 200            | 181            |
| Miscellaneous                                | Direct                             | 7984                             | -                      | 7984           | 7364           |
| <b>TOTAL RESOURCES<br/>EXPENDED</b>          |                                    | <u>1509291</u>                   | <u>14520</u>           | <u>1523811</u> | <u>1472937</u> |

Of expenditure of £1523811 (2022:£1472937) £1523311 (2022:£1366022) related to unrestricted and £500 (2022: £61441) related to restricted funds.

**5. NET INCOMING RESOURCES FOR THE YEAR**

This is stated after charging:

|                                         | <b>2023</b> | <b>2022</b> |
|-----------------------------------------|-------------|-------------|
|                                         | <b>£</b>    | <b>£</b>    |
| Depreciation/loss on disposal of assets | 16784       | 19531       |
| Auditors remuneration                   | 9970        | 8820        |
| Other Accountancy fees                  | <u>4550</u> | <u>4140</u> |

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**

**6. TRUSTEES REMUNERATION, EXPENSES AND TRANSACTIONS**

The trustees neither received nor waived any emoluments during the year (2022: £ nil). There were no trustee expenses paid (2022: £ nil). No transactions with trustees or connected parties took place during the year (2022: £nil).

The Home is covered under its general insurance policy for any actions of its trustees.

**7. STAFF COSTS**

Staff costs were as follows:-

|                                      | <b>2023</b>    | <b>2022</b>    |
|--------------------------------------|----------------|----------------|
|                                      | <b>£</b>       | <b>£</b>       |
| Wages, Salaries, Agency and Training | 1148013        | 1102458        |
| Social Security Costs                | 63864          | 61574          |
| Pension Costs                        | 15858          | 15361          |
|                                      | <u>1227735</u> | <u>1179393</u> |

No employee received emoluments of more than £60,000.

The average number of persons employed during the year, analysed by

|                               | <b>Fulltime Equivalent</b> |             |
|-------------------------------|----------------------------|-------------|
|                               | <b>2023</b>                | <b>2022</b> |
| Management and Administration | 4                          | 4           |
| Catering                      | 4                          | 4           |
| Domestic and Laundry          | 6                          | 6           |
| Nursing and Clinical Lead     | 8                          | 8           |
| Care Staff                    | 19                         | 19          |
| Drivers/Gardners/Handyman     | 3                          | 3           |
|                               | <u>44</u>                  | <u>44</u>   |

**8. TAXATION**

The trust is a registered charity and as such is exempt from Income Tax, Corporation Tax or Capital Gains Tax on its charitable activities.

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**

**9. TANGIBLE ASSETS**

|                               | Staff<br>Room<br>Annexe<br>£ | Conservatory<br>£ | Fixtures,<br>& Fittings<br>Equipment<br>£ | Motor<br>Vehicle<br>£ | Gifted<br>Assets<br>£ | Total<br>£    |
|-------------------------------|------------------------------|-------------------|-------------------------------------------|-----------------------|-----------------------|---------------|
| <b>COST</b>                   |                              |                   |                                           |                       |                       |               |
| At 1 <sup>st</sup> July 2022  | 26856                        | 43069             | 379972                                    | 16244                 | 7260                  | 473401        |
| Additions                     | -                            | -                 | 16096                                     | -                     | -                     | 16096         |
| Disposal                      | -                            | -                 | -                                         | -                     | -                     | -             |
|                               | <u>26856</u>                 | <u>43069</u>      | <u>396068</u>                             | <u>16244</u>          | <u>7260</u>           | <u>489497</u> |
| At 30 <sup>th</sup> June 2023 | <u>26856</u>                 | <u>43069</u>      | <u>396068</u>                             | <u>16244</u>          | <u>7260</u>           | <u>489497</u> |
| <b>DEPRECIATION</b>           |                              |                   |                                           |                       |                       |               |
| At 1 <sup>st</sup> July 2022  | 26856                        | 43069             | 300003                                    | 11640                 | 7260                  | 388828        |
| Disposal                      | -                            | -                 | -                                         | -                     | -                     | -             |
| Charge for the year           | -                            | -                 | 15633                                     | 1151                  | -                     | 16784         |
|                               | <u>26856</u>                 | <u>43069</u>      | <u>315636</u>                             | <u>12791</u>          | <u>7260</u>           | <u>405612</u> |
| At 30 <sup>th</sup> June 2023 | <u>26856</u>                 | <u>43069</u>      | <u>315636</u>                             | <u>12791</u>          | <u>7260</u>           | <u>405612</u> |
| <b>NET BOOK VALUE</b>         |                              |                   |                                           |                       |                       |               |
| At 30 <sup>th</sup> June 2023 | <u>-</u>                     | <u>-</u>          | <u>80432</u>                              | <u>3453</u>           | <u>-</u>              | <u>83885</u>  |
| At 30 <sup>th</sup> June 2022 | <u>-</u>                     | <u>-</u>          | <u>79969</u>                              | <u>4604</u>           | <u>-</u>              | <u>84573</u>  |

**10. STOCKS**

|                 | <b>2023</b><br>£ | <b>2022</b><br>£ |
|-----------------|------------------|------------------|
| Catering stocks | <u>1300</u>      | <u>975</u>       |

**11. DEBTORS**

|                                | <b>2023</b><br>£ | <b>2022</b><br>£ |
|--------------------------------|------------------|------------------|
| Trade Debtors                  | 89707            | 82097            |
| Prepayments and Accrued Income | 38863            | 33220            |
| Other Debtors                  | 9150             | 8661             |
|                                | <u>137720</u>    | <u>123978</u>    |

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**

| <b>12. BANK AND CASH</b>       | <b>2023</b>   | <b>2022</b>   |
|--------------------------------|---------------|---------------|
|                                | <b>£</b>      | <b>£</b>      |
| Current Account                | 207475        | 110441        |
| Virgin Money                   | 60935         | 60935         |
| Cambridge & Counties/Shawbrook | 85030         | 85000         |
| Cash in Hand                   | 1129          | 600           |
|                                | <u>354569</u> | <u>256976</u> |

| <b>13. CREDITORS</b>                   | <b>2023</b>   | <b>2022</b>   |
|----------------------------------------|---------------|---------------|
|                                        | <b>£</b>      | <b>£</b>      |
| Amounts falling due within one year    |               |               |
| Trade Creditors                        | 51189         | 40074         |
| Accruals and Other Creditors           | 76703         | 79067         |
| Other Creditors – Staff Christmas Club | 10500         | 8770          |
|                                        | <u>138392</u> | <u>127911</u> |

**14. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

| <b>2023</b>           | <b>Unrestricted Funds</b> | <b>Restricted Funds</b> | <b>Total</b>  |
|-----------------------|---------------------------|-------------------------|---------------|
|                       | <b>£</b>                  | <b>£</b>                | <b>£</b>      |
| Tangible Fixed Assets | 83885                     | -                       | 83885         |
| Net Current Assets    | 355197                    |                         | 355197        |
|                       | <u>439082</u>             | <u>-</u>                | <u>439082</u> |

| <b>2022</b>           | <b>Unrestricted Funds</b> | <b>Restricted Funds</b> | <b>Total</b>  |
|-----------------------|---------------------------|-------------------------|---------------|
|                       | <b>£</b>                  | <b>£</b>                | <b>£</b>      |
| Tangible Fixed Assets | 84573                     | -                       | 84573         |
| Net Current Assets    | 254018                    | -                       | 254018        |
|                       | <u>338591</u>             | <u>-</u>                | <u>338591</u> |

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**

| <b>15. RESTRICTED FUNDS</b> | <b>2023</b> | <b>2022</b> |
|-----------------------------|-------------|-------------|
|                             | <b>£</b>    | <b>£</b>    |
| At beginning of Year        | -           | -           |
| Incoming Resources          | 500         | 106915      |
| Resources expended          | (500)       | (106915)    |
| Transfer between funds      | -           | -           |
|                             | <u>-</u>    | <u>-</u>    |
|                             | <u>-</u>    | <u>-</u>    |

**Purpose of Restricted Funds**

**2023**

The restricted fund was a support grant to cover recruitment

**2022**

The restricted funds relate to grants received from local councils of £99765 in respect of Infection control , Rapid testing support, Lateral flow testing national living wage increases and training. There were also restricted donations of £7150 specifically for the purpose of covering cost of macerators, weighing hoists, resident activities, slings and refurbishment. These funds had all been expended by the year end.

| <b>16. UNRESTRICTED FUNDS</b> | <b>2023</b>   | <b>2022</b>   |
|-------------------------------|---------------|---------------|
|                               | <b>£</b>      | <b>£</b>      |
| At beginning of Year          | 338591        | 418028        |
| Incoming Resources            | 1623802       | 1286585       |
| Resources expended            | (1523311)     | (1366022)     |
| Transfer between funds        | -             | -             |
|                               | <u>439082</u> | <u>338591</u> |

**17. TRUSTEE CONTRIBUTION**

Every Member of the Trust undertakes to contribute to the assets of the Trust in the event of its being wound up, while he or she is a member, or within one year after he or she ceased to be a member, for payments of the debts and liabilities of the Trust contracted before he or she ceased to be a member, and of the costs, charges and expenses of winding up and for the adjustment or the rights of the contributories among themselves, such amount as may be required not exceeding one pound.

There are 6 members.

**18. RELATED PARTY TRANSACTIONS**

There were no transactions with related parties in the period that require disclosure under FRS102.

**19. RECONCILIATION OF NET INCOME/EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES**

|                                                      | <b>2023</b>          | <b>2022</b>           |
|------------------------------------------------------|----------------------|-----------------------|
|                                                      | <b>£</b>             | <b>£</b>              |
| Net income/expenditure for the year                  | 100491               | (79437)               |
| Interest Received                                    | (780)                | (344)                 |
| Depreciation and impairment of tangible fixed assets | 16784                | 19531                 |
| (Increase in stock)                                  | (325)                | -                     |
| (Increase) Decrease in debtors                       | (13742)              | 37766                 |
| Increase in creditors                                | 10481                | 11460                 |
| <b>Net cash flow from operating activities</b>       | <u><u>112909</u></u> | <u><u>(11024)</u></u> |

**EAST CLEVELAND MS HOME**  
**INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 30<sup>TH</sup> JUNE 2023**

|                               | <b>2023</b>    | <b>2022</b>    |
|-------------------------------|----------------|----------------|
|                               | <b>£</b>       | <b>£</b>       |
| <b>INCOME</b>                 |                |                |
| Residents' Fees               | 1536215        | 1263613        |
| Grants                        | 500            | 99765          |
|                               | <u>1536715</u> | <u>1363378</u> |
| <b>TOTAL INCOME</b>           | <u>1536715</u> | <u>1363378</u> |
| <br><b>DIRECT EXPENSES</b>    |                |                |
| Salaries, Wages & Oncosts     | 1212535        | 1168044        |
| Bad Debts                     | 773            | 29307          |
| Staff Training                | 13461          | 8867           |
| Catering Supplies             | 46689          | 36241          |
| Staff Social Fund - Vouchers  | 1739           | 2482           |
|                               | <u>1275197</u> | <u>1244941</u> |
| <b>TOTAL DIRECT EXPENSES</b>  | <u>1275197</u> | <u>1244941</u> |
| <br><b>GROSS SURPLUS</b>      | <u>261518</u>  | <u>118437</u>  |
| <br><b>OVERHEADS</b>          |                |                |
| <br><b>RENT AND RATES</b>     |                |                |
| Rent                          | (7488)         | 17406          |
| Water Rates                   | -              | 4200           |
| General Rates                 | 1918           | 1719           |
|                               | <u>(5570)</u>  | <u>23325</u>   |
| <br><b>FEES AND INSURANCE</b> |                |                |
| Audit and Accountancy Fees    | 14520          | 12960          |
| Subscriptions                 | 12401          | 12229          |
| Bank Charges                  | 200            | 181            |
| Insurance                     | 18834          | 13412          |
| Registration Fees             | 3158           | 3331           |
| TV Licences                   | 228            | 452            |
|                               | <u>49341</u>   | <u>42565</u>   |
| <br><b>VEHICLE EXPENSES</b>   |                |                |
| Fuel and Oil                  | 2011           | 2021           |
| Repair                        | 697            | 756            |
| Tax and Insurance             | 1237           | 1849           |
| Miscellaneous and Travel      | 441            | 329            |
|                               | <u>4386</u>    | <u>4955</u>    |

**EAST CLEVELAND MS HOME**  
**INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 30<sup>TH</sup> JUNE 2023**

|                                      | <b>2023</b>  | <b>2022</b>  |
|--------------------------------------|--------------|--------------|
|                                      | <b>£</b>     | <b>£</b>     |
| <b>CLEANING AND MEDICAL SUPPLIES</b> |              |              |
| Laundry Supplies                     | 7579         | 3855         |
| Cleaning Materials                   | 6335         | 5225         |
| Medical Consumables                  | 17483        | 19604        |
|                                      | <u>31397</u> | <u>28684</u> |
| <b>MAINTENANCE</b>                   |              |              |
| Property & Equipment Repairs         | 37623        | 36267        |
| Office Equipment Repair              | 7094         | 12071        |
| Refuse Collection                    | 7443         | 9458         |
|                                      | <u>52160</u> | <u>57796</u> |
| <b>ENERGY</b>                        |              |              |
| Electricity & Gas                    | 73755        | 27683        |
|                                      | <u>73755</u> | <u>27683</u> |
| <b>ADMINISTRATION</b>                |              |              |
| Telephone and Internet               | 12763        | 12263        |
| Advertising                          | 1531         | 767          |
| Stationery                           | 3279         | 2223         |
| Postage                              | 114          | 43           |
| Publications                         | -            | -            |
| Equipment Rental                     | 690          | 797          |
|                                      | <u>18377</u> | <u>16093</u> |
| <b>MISCELLANEOUS</b>                 |              |              |
| Miscellaneous/Newspapers             | 5413         | 3457         |
| Staff Uniforms                       | 1626         | 2490         |
| Towels and Bedding                   | 567          | 1210         |
| Aquarium Maintenance and supplies    | 378          | 207          |
|                                      | <u>7984</u>  | <u>7364</u>  |

**EAST CLEVELAND MS HOME**  
**INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 30<sup>TH</sup> JUNE 2023**

|                                | <b>2023</b>   | <b>2022</b>     |
|--------------------------------|---------------|-----------------|
|                                | <b>£</b>      | <b>£</b>        |
| <b>OTHER EXPENSES</b>          |               |                 |
| Depreciation/Loss on Sale      | 16784         | 19531           |
|                                | <u>16784</u>  | <u>19531</u>    |
| <b>TOTAL OVERHEADS</b>         | <u>248614</u> | <u>227996</u>   |
| <b>TRADING SURPLUS/DEFICIT</b> | <u>12904</u>  | <u>(109559)</u> |
| <b>OTHER INCOME</b>            |               |                 |
| Fundraising                    | -             | 2517            |
| Donations Received             | 86807         | 27261           |
| Bank Interest Received         | 780           | 344             |
| <b>NET SURPLUS/DEFICIT</b>     | <u>100491</u> | <u>(79437)</u>  |

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# Accounts

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**EAST CLEVELAND MS HOME**

**TRUSTEES' REPORT AND  
STATEMENT OF ACCOUNTS**

**YEAR ENDED 30<sup>TH</sup> JUNE 2022**

**COMPANY LIMITED BY GUARANTEE  
(The Company does not have a share capital)**

**REGISTERED CHARITY NUMBER 519232  
COMPANY NUMBER : 2152724**

## EAST CLEVELAND MS HOME

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**EAST CLEVELAND MS HOME  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 30 JUNE 2022**

The East Cleveland MS Home is also known as the Ann Charlton Lodge.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charities governing document, the Companies Act 2016 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective 1<sup>st</sup> January 2019

**REFERENCE & ADMINISTRATIVE DETAILS**

Charity number 519232  
Company number 2152724

**Registered Office:** Edenhall Grove  
REDCAR  
TS10 4PR

**Trustees:**

The trustees are directors of the Company for the purpose of Company law. The trustees serving during the year and up to the date of this report:-

P W Wilson - Chairman  
C V Greenley – Secretary  
Mrs R Hewitt  
M Thompson (resigned 1/1/23)  
C Johnston (appointed 21/9/21)  
P Sotheran MBE  
R Fox  
L Minns (appointed 28/9/21)  
Mrs Deborah Dobbing (resigned 12/10/21)  
C Wallis (Appointed 12/12/2022)

**Honorary Secretary:** C V Greenley

**Bankers:** HSBC Bank PLC, 2 West Dyke Road, Redcar, TS10 1EA.  
Virgin Money plc, Jubilee House, Gosforth , NE3 4PL.

**Auditors:** Graham Fitzgerald  
Azets Audit Services,  
New Garth House ,  
Upper Garth Gardens  
Guisborough TS14 6HA

**Solicitors:** Cygnet Law  
Portland House  
West Dyke Road  
REDCAR TS10 1DH

## **EAST CLEVELAND MS HOME**

### **REPORT OF THE TRUSTEES**

**FOR THE YEAR ENDED 30 JUNE 2022**

#### **STRUCTURE, GOVERNANCE & MANAGEMENT**

##### **Governing Document**

The charity is a charitable company limited by guarantee and was set up 7 May 1987. It is governed by a memorandum and articles of association. Its objects are to bring relief to the sufferers of Multiple Sclerosis and other diseases of the central nervous system in Cleveland and the surrounding area.

##### **Appointment of trustees**

As set out in the Articles of Association, trustees are appointed by the Board of Trustees and every year one third of the trustees shall retire from office and may put themselves forward for re-election at the Annual General Meeting. Also any new trustees elected during the year shall only hold office until the next following Annual General Meeting and shall then be eligible for re-election.

All members are circulated with invitations to nominate trustees prior to the AGM advising them of the retiring trustees and requesting nominations for the AGM.

The Trustees maintain an 'equal opportunity' policy whether it is age, sex, ethnicity or disability with regard to recruiting new Trustees and work to maintain a balance of experience and skills. All candidates are required to make a formal written application, giving the names of two suitable referees; they are also required to undergo an enhanced DBS check before being interviewed by a panel of Trustees who will assess the suitability of the candidate.

##### **Trustee induction and training**

New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

##### **Organisation**

The board of trustees administers the charity. The Trustees meet every month to review operations and to make any decisions required on the running of the Home. Members of the Home guarantee to contribute an amount not exceeding £1 to the assets of the Home in the event of winding up. The total number of such guarantees at 30<sup>th</sup> June 2022 was 8 (2021 – 5).

##### **Investment Powers, Policy and Performance**

The Trustees investment powers are governed by the Memorandum and Articles of Association which permits the Home's funds not immediately required for its purposes to be invested in any such investments, securities or property as may be thought fit.

The Board's policy is to invest in high interest savings accounts and low risk investments, such as investment in a portfolio of stocks and shares in blue chip companies specially tailored for charitable companies.

The Home's investments have continued to be managed in conformity with our policy and the Memorandum and Articles of Association and their performance for the year has been in line with our expectations, thanks to the expert advice of our investment advisor and the close control exercised by the management team.

**EAST CLEVELAND M S HOME**  
**REPORT OF THE TRUSTEES (CONTINUED)**

**Risk Review**

Through the regular involvement in the management of the Home, the Trustees are aware of the risks involved in running the Home. Policies and procedures are in place to mitigate these risks. An annual budget for the year ahead is in place to guide the Trustees and is regularly reviewed. Internal risks are minimised by the implementation of procedures for the authorisation of all transactions and projects, to ensure the consistent quality of delivery for all operational aspects of the Lodge. These procedures are periodically reviewed to ensure that they still meet the needs of the Home and requirements of the regulatory body.

**Re-election of Trustees**

In accordance with clause 31 and 34 of the Articles of Association, the under mentioned resign as Trustees and offer themselves for re-election.

Mr P W Wilson  
Mr P Sotheran MBE  
Mrs R Fox

**OBJECTIVES**

**Objectives**

The Trust was established for the relief of sickness in persons suffering from Multiple Sclerosis in Cleveland and the surrounding area, through the provision of a residential care home offering long and short stay accommodation, together with day care facilities. The Home now looks after not only people with multiple sclerosis but all conditions of the central nervous system. Day care facilities are no longer available. The Trust is registered as a care home with nursing and currently looks after 24 residents and has 1 respite room.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing its aims and objectives in planning its future activities

**ACHIEVEMENTS & PERFORMANCE**

**Achievements during the Year**

The Trustees have been active in giving guidance where required on the Home's activities and business planning including monthly inspections of the Home where every facet of the day to day running of the organisation is scrutinised and audited.

Once again the activities of the Lodge have been greatly affected by the impact of Covid19 but to the great credit of the management and staff, the residents, by and large, have been kept clear of Covid.

During the year, a new computerised system has been introduced to maintain and update care plans which has facilitated more accurate record keeping and improved efficiency. Last year, we commented on the negotiation of a new lease which is yet to be finalised but general agreement has been reached and the lease should be ready for signing imminently. In the meantime, Thirteen Group has replaced the roof and velux windows at great cost which was covered by Thirteen themselves for which we are very grateful.

**EAST CLEVELAND M S HOME**  
**REPORT OF THE TRUSTEES (CONTINUED)**

## **FINANCIAL REVIEW**

### **Results**

The Trust had a net outflow of resources amounting to £79,437 with reserves now standing at £338,591. This compares with a net outflow of £77,363 in the previous trading year. This was another very difficult year due to the impact of Covid which meant that, at times, we were not able to take in new residents. This adversely affected our fee income. Fortunately, local councils continued to supply grants for most of the year under review to offset some of the extra staff costs incurred as a result of Covid. However, we still spent £157,927 on agency staff to cover for absences against a budget of £100,000.

The statement of Financial Activities on page 11 shows the Home's income and how it has been spent during the year. The Trustees are very grateful for the support received through the efforts of its staff in fundraising as well as other benefactors, including Middlesbrough Voluntary Development Agency who have generously supported our work.

After five poor trading years, the Lodge's finances have come under increasing strain due, mainly, to low occupancy levels. However, improved funding was negotiated with Redcar Council in November 2021 and, looking ahead, with much better occupancy levels being seen, the picture is improving. Meanwhile, it is essential to maintain the continuing financial support of the public to maintain our excellent level of service and more focus is being placed on increased sponsorship and fundraising. In addition to our savings the Lodge also has funds of some £86,000 lodged with Thirteen Group to cover any major repairs or refurbishment to the external buildings.

## **PLANS FOR FUTURE PERIODS**

### **Future Strategy**

This financial year demonstrates once again the need for caution and careful control of expenditure. Our level of reserves are much depleted but with increased funding having been agreed with Redcar Council, if we can improve occupancy levels, then we should be able to start to build up reserves again. The Trustees continue to look at ways to reduce staffing costs through restructuring and efficiency savings and to have better systems in place, including a new website, to attract future clients. Further the Trustees are working hard to strengthen the Board of Trustees with a view to bring in more expertise and new ideas including increased focus on fundraising. We draw your attention to the going concern accounting policy on page 16, this sets out our current position in respect of the going concern of the organisation.

### **Reserves Policy - Funds**

Whilst the Lodge continues to see a decline in its level of reserves, the Trustees monitor closely the investment strategy to maximise income and protect, as far as is possible, these reserves so as to guarantee the future of the Ann Charlton Lodge for the foreseeable future. Prompt action is taken to address adverse trends.

**EAST CLEVELAND M S HOME**  
**REPORT OF THE TRUSTEES (CONTINUED)**

**Statement of trustees Responsibilities for Preparing Accounts**

The Trustees (who are also Directors of the East Cleveland MS Home for the purposes of Charity and Company law) are responsible for preparing the Trustees Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company and Charity law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Institution and of the incoming resources and application of the same, including income and expenditure, of the Institution for that period. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Institution will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Institution and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Institution and hence for taking reasonable steps for the prevention of fraud and other irregularities.

**Statement of Disclosure of Information to Auditors**

- There is no relevant audit information of which the company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditors**

Azets Audit Services were re-appointed as the Home's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the Trustees and signed on their behalf by:-

Chairman: P W Wilson

Dated 24<sup>th</sup> April 2023

## **EAST CLEVELAND MS HOME**

### **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF EAST CLEVELAND MS HOME FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

#### **Opinion**

We have audited the financial statements of East Cleveland MS Home (the charitable company') for the year ended 30<sup>th</sup> June 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 30<sup>th</sup> June 2022 and of its incoming resources and application of resources including its income and expenditure for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Material uncertainty relating to going concern**

We draw attention to note 1 in the financial statements ("Going Concern"), which indicates that the company is in a position where losses are being incurred and solutions are being sought to secure the financial stability of the company. As stated in note 1, at the present time there is a material uncertainty that casts doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **EAST CLEVELAND MS HOME**

### **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF EAST CLEVELAND MS HOME FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

## **EAST CLEVELAND MS HOME**

### **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF EAST CLEVELAND MS HOME FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities including fraud is detailed below:

- Enquiry of management and those charged with governance around actual potential litigation and claims.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## **EAST CLEVELAND MS HOME**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EAST CLEVELAND MS HOME**

#### **Auditor's responsibilities for the audit of the financial statements (continued)**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Graham Fitzgerald BA FCA DChA  
Senior Statutory auditor  
For and on behalf of  
Azets Audit Services  
New Garth House  
Upper Garth Gardens  
Guisborough  
TS14 6HA

Date:.....

# EAST CLEVELAND MS HOME

## STATEMENT OF FINANCIAL ACTIVITIES (including Income & Expenditure Account)

YEAR ENDED 30<sup>TH</sup> JUNE 2022

|                                                                   | Note | Restricted<br>Funds<br>2022<br>£ | Unrestricted<br>Funds<br>2022<br>£ | Total<br>Funds<br>2022<br>£ | Total<br>Funds<br>2021<br>£ |
|-------------------------------------------------------------------|------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| <b>INCOME AND RECEIPT OF ENDOWMENT</b>                            |      |                                  |                                    |                             |                             |
| <i><b>Income from Donations and Legacies:</b></i>                 |      |                                  |                                    |                             |                             |
| Donations and Gifts                                               |      | 7150                             | 20111                              | 27261                       | 5410                        |
| Grants Receivable                                                 |      | 99765                            | -                                  | 99765                       | 66236                       |
| <i><b>Income from charitable activities:</b></i>                  |      |                                  |                                    |                             |                             |
| Fees for residential care                                         |      | -                                | 1263613                            | 1263613                     | 1231033                     |
| <i><b>Income from other Trading Activities:</b></i>               |      |                                  |                                    |                             |                             |
| Fundraising and other income                                      |      | -                                | 2517                               | 2517                        | -                           |
| <i><b>Investment income:</b></i>                                  |      |                                  |                                    |                             |                             |
| Bank interest receivable                                          | 3    | -                                | 344                                | 344                         | 216                         |
| <b>TOTAL INCOME</b>                                               |      | <u>106915</u>                    | <u>1286585</u>                     | <u>1393500</u>              | <u>1302895</u>              |
| <b>EXPENDITURE</b>                                                |      |                                  |                                    |                             |                             |
| <i><b>Charitable activities:</b></i>                              |      |                                  |                                    |                             |                             |
| Direct Residential and day care costs                             |      | 106915                           | 1353062                            | 1459977                     | 1362552                     |
| <b>Other Costs</b>                                                |      | <u>-</u>                         | <u>12960</u>                       | <u>12960</u>                | <u>17706</u>                |
| <b>Total Expenditure</b>                                          | 4    | <u>106915</u>                    | <u>1366022</u>                     | <u>1472937</u>              | <u>1380258</u>              |
| <b>Net outgoing/incoming resources</b>                            |      | -                                | (79437)                            | (79437)                     | (77363)                     |
| Transfer between funds                                            |      | -                                | -                                  | -                           | -                           |
| <b>Net movement in Funds</b>                                      |      | -                                | (79437)                            | (79437)                     | (77363)                     |
| <b>Fund balances brought forward at 1<sup>st</sup> July 2021</b>  |      | -                                | 418028                             | 418028                      | 495391                      |
| <b>Fund balances carried forward at 30<sup>th</sup> June 2022</b> |      | <u>-</u>                         | <u>338591</u>                      | <u>338591</u>               | <u>418028</u>               |

The statement of financial activities includes all gains and losses recognised in the year.  
All incoming resources and resources expended derive from continuing activities.  
The notes on pages 14 to 21 form part of these accounts.

# EAST CLEVELAND MS HOME

## BALANCE SHEET

AS AT 30<sup>TH</sup> JUNE 2022

|                                                       |      | 2022            |                      | 2021            |                      |
|-------------------------------------------------------|------|-----------------|----------------------|-----------------|----------------------|
|                                                       | Note | £               | £                    | £               | £                    |
| <b>FIXED ASSETS</b>                                   |      |                 |                      |                 |                      |
| Tangible fixed assets                                 | 9    |                 | 84573                |                 | 91036                |
| <b>CURRENT ASSETS</b>                                 |      |                 |                      |                 |                      |
| Stocks                                                | 10   | 975             |                      | 975             |                      |
| Debtors                                               | 11   | 123978          |                      | 161744          |                      |
| Cash at bank and in hand                              | 12   | 256976          |                      | 280724          |                      |
|                                                       |      | <u>381929</u>   |                      | <u>443443</u>   |                      |
| <b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b> | 13   | <u>(127911)</u> |                      | <u>(116451)</u> |                      |
| <b>NET CURRENT ASSETS</b>                             |      |                 | <u>254018</u>        |                 | <u>326992</u>        |
| <b>NET ASSETS</b>                                     |      |                 | <u><u>338591</u></u> |                 | <u><u>418028</u></u> |
| <b>FUNDS</b>                                          |      |                 |                      |                 |                      |
| Restricted                                            | 15   |                 | -                    |                 | -                    |
| Unrestricted                                          | 16   |                 | <u>338591</u>        |                 | <u>418028</u>        |
|                                                       |      |                 | <u><u>338591</u></u> |                 | <u><u>418028</u></u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements on pages 11 to 21 were approved and authorised for issue by the trustees on and signed on their behalf by:

P W Wilson .....

C V Greenley .....

### TRUSTEES

Dated 24<sup>th</sup> April 2023

The notes on pages 14 to 21 form part of these accounts.

**EAST CLEVELAND MS HOME  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

|                                                             | Note | 2022<br>£      | 2021<br>£      |
|-------------------------------------------------------------|------|----------------|----------------|
| <b>Net cash flow from operating activities</b>              | 19   | <u>(11024)</u> | <u>(101)</u>   |
| <b>Cash flow from investing activities</b>                  |      |                |                |
| Payments to acquire tangible fixed assets                   |      | (18068)        | (17347)        |
| Receipts from sale tangible fixed assets                    |      | 5000           | -              |
| Interest received                                           |      | 344            | 216            |
| Dividends received                                          |      | <u>-</u>       | <u>-</u>       |
| <b>Net cash flow from investing activities</b>              |      | <u>(12724)</u> | <u>(17131)</u> |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |      | (23748)        | (17232)        |
| Cash and cash equivalents at 1 <sup>st</sup> July 2022      |      | <u>280724</u>  | <u>297956</u>  |
| Cash and cash equivalents at 30 <sup>th</sup> June 2022     |      | <u>256976</u>  | <u>280724</u>  |
| <b>Cash and cash equivalents consists of:</b>               |      |                |                |
| Cash at bank and in hand                                    |      | <u>256976</u>  | <u>280724</u>  |

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

**1. ACCOUNTING POLICIES**

**Charity Information**

East Cleveland MS Home is a private company limited by guarantee incorporated in England and Wales. The registered office is Edenhall Grove, Redcar, TS10 4PR. The charity constitutes a public benefit entity as defined by FRS102.

**Accounting convention**

These accounts have been prepared in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Ireland" ("FRS102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for Charities applying FRS102 and UK Generally Accepted Accounting Practice effective 1<sup>st</sup> January 2019.

The accounts are prepared in sterling which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

**Charitable Funds**

Unrestricted funds are available for use at the discretion of the trustees in the furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of restricted funds are set out in the notes to the accounts.

**Incoming Resources**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that the income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require the deferral of the amount. Income tax recoverable in relation to donations received under gift aid or deeds of covenant is recognised at the time of donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of VAT and other sales related taxes.

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

**1. ACCOUNTING POLICIES (Continued)**

**Tangible Fixed Assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                                  |                      |
|----------------------------------|----------------------|
| Conservatory & Staff Room Annexe | 25 years             |
| Gifted Assets                    | 10 years             |
| Fixtures, Fittings & Equipment   | 10 years             |
| Motor Vehicle                    | 25% reducing balance |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the net income for the year.

Recoverable amount is the higher of fair value, less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to the recoverable amount immediately in income/expenditure for the year, unless the relevant asset is carried in at a revalued amount, in which case the impairment loss is treated as revaluation decrease.

Recognised impairment losses are reversed if and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined if no carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as revaluation increase.

**Investments**

Investments are recognised initially at fair value which is normally the transaction value excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in "net gains / (losses) on investments" in the SOFA as the shares are publically traded and their fair value can be measured reliably.

**Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to sell. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured at cost. Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

**1. ACCOUNTING POLICIES (Continued)**

**Basic Financial Assets**

Basic financial assets which include debtors, cash and bank balances, are initially measured at transaction price including transaction costs and subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of future receipts discounted at a market rate of interest. Financial assets classified as receivable within 1 year are not amortised.

**Basic Financial Liabilities**

Basic Financial Liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within 1 year are not amortised. Debt instruments are subsequently measured at amortised cost, using the effective interest method.

**Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

**Employee Benefits**

When employees have rendered service to the charity, short term benefits to which the employees are Entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are charged as they become payable.

**Going Concern**

The financial statements have been prepared on a going concern basis, however we are currently in a loss making position and there are some uncertainties around the level of future levels of income and expenditure. Management and trustees are actively engaged in strategies to maximise revenues and minimise costs to secure the medium to long term future of the organisation, however until discussions and negotiations are concluded and key decisions taken, there remains some uncertainty as to our financial stability.

**2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of revision and future periods where the provision affects both current and future periods.

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

**3. INVESTMENT INCOME**

|                     | <b>2022</b>  | <b>2021</b>  |
|---------------------|--------------|--------------|
|                     | <b>Total</b> | <b>Total</b> |
|                     | <b>£</b>     | <b>£</b>     |
| Interest receivable | 344          | 216          |
|                     | <u>344</u>   | <u>216</u>   |

**4. TOTAL RESOURCES EXPENDED**

|                                              | <b>Basis<br/>of<br/>allocation</b> | <b>Charitable<br/>activities</b> | <b>Other<br/>costs</b> | <b>2022</b>    | <b>2021</b>    |
|----------------------------------------------|------------------------------------|----------------------------------|------------------------|----------------|----------------|
|                                              |                                    | <b>£</b>                         | <b>£</b>               | <b>£</b>       | <b>£</b>       |
| Staff Costs                                  | Staff time                         | 1179393                          | -                      | 1179393        | 1070257        |
| Rent & Rates                                 | Direct                             | 23325                            | -                      | 23325          | 24656          |
| Vehicle Expenses                             | Direct                             | 4955                             | -                      | 4955           | 6784           |
| Insurance/Licence                            | Direct                             | 13864                            | -                      | 13864          | 9432           |
| Catering                                     | Direct                             | 36241                            | -                      | 36241          | 35081          |
| Maintenance                                  | Direct                             | 45725                            | -                      | 45725          | 50548          |
| Medical Supplies                             | Direct                             | 28684                            | -                      | 28684          | 47097          |
| Energy                                       | Direct                             | 27683                            | -                      | 27683          | 23254          |
| Administration                               | Direct                             | 28164                            | -                      | 28164          | 22125          |
| Audit/Accountancy                            | Direct                             | -                                | 12960                  | 12960          | 17706          |
| Subscriptions                                | Direct                             | 12229                            | -                      | 12229          | 11502          |
| Depreciation (including<br>Loss on Disposal) | Direct                             | 19531                            | -                      | 19531          | 24051          |
| Bad Debts                                    | Direct                             | 29307                            | -                      | 29307          | 25845          |
| Registration Fees                            | Direct                             | 3331                             | -                      | 3331           | 3268           |
| Bank Charges                                 | Direct                             | 181                              | -                      | 181            | 206            |
| Miscellaneous                                | Direct                             | 7364                             | -                      | 7364           | 8446           |
| <b>TOTAL RESOURCES<br/>EXPENDED</b>          |                                    | <u>1459977</u>                   | <u>12960</u>           | <u>1472937</u> | <u>1380258</u> |

Of expenditure of £1472937 (2021:£1380258) £1366022 (2021:£1318817) related to unrestricted and £106915 (2021: £61441) related to restricted funds.

**5. NET INCOMING RESOURCES FOR THE YEAR**

This is stated after charging:

|                                         | <b>2022</b> | <b>2021</b>  |
|-----------------------------------------|-------------|--------------|
|                                         | <b>£</b>    | <b>£</b>     |
| Depreciation/loss on disposal of assets | 19531       | 24051        |
| Auditors remuneration                   | 8820        | 5496         |
| Other Accountancy fees                  | <u>4140</u> | <u>12210</u> |

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

**6. TRUSTEES REMUNERATION, EXPENSES AND TRANSACTIONS**

The trustees neither received nor waived any emoluments during the year (2021: £ nil). There were no trustee expenses paid (2021: £ nil). No transactions with trustees or connected parties took place during the year (2021: £nil).

The Home is covered under its general insurance policy for any actions of its trustees.

**7. STAFF COSTS**

Staff costs were as follows:-

|                                      | <b>2022</b>    | <b>2021</b>    |
|--------------------------------------|----------------|----------------|
|                                      | <b>£</b>       | <b>£</b>       |
| Wages, Salaries, Agency and Training | 1102458        | 999044         |
| Social Security Costs                | 61574          | 56666          |
| Pension Costs                        | 15361          | 14547          |
|                                      | <u>1179393</u> | <u>1070257</u> |

No employee received emoluments of more than £60,000.

The average number of persons employed during the year, analysed by

|                               | <b>Fulltime Equivalent</b> |             |
|-------------------------------|----------------------------|-------------|
|                               | <b>2022</b>                | <b>2021</b> |
| Management and Administration | 4                          | 2.5         |
| Catering                      | 4                          | 3.5         |
| Domestic and Laundry          | 6                          | 4           |
| Nursing and Clinical Lead     | 8                          | 8           |
| Care Staff                    | 19                         | 20          |
| Drivers/Gardners/Handyman     | 3                          | 2.5         |
|                               | <u>44</u>                  | <u>40.5</u> |

**8. TAXATION**

The trust is a registered charity and as such is exempt from Income Tax, Corporation Tax or Capital Gains Tax on its charitable activities.

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

**9. TANGIBLE ASSETS**

|                               | <b>Staff<br/>Room<br/>Annexe<br/>£</b> | <b>Conservatory<br/>£</b> | <b>Fixtures,<br/>&amp; Fittings<br/>Equipment<br/>£</b> | <b>Motor<br/>Vehicle<br/>£</b> | <b>Gifted<br/>Assets<br/>£</b> | <b>Total<br/>£</b> |
|-------------------------------|----------------------------------------|---------------------------|---------------------------------------------------------|--------------------------------|--------------------------------|--------------------|
| <b>COST</b>                   |                                        |                           |                                                         |                                |                                |                    |
| At 1 <sup>st</sup> July 2021  | 26856                                  | 43069                     | 537809                                                  | 44139                          | 7260                           | 659133             |
| Additions                     | -                                      | -                         | 18068                                                   | -                              | -                              | 18068              |
| Disposal                      | -                                      | -                         | (175905)                                                | (27895)                        | -                              | (203800)           |
|                               | <u>26856</u>                           | <u>43069</u>              | <u>379972</u>                                           | <u>16244</u>                   | <u>7260</u>                    | <u>473401</u>      |
| At 30 <sup>th</sup> June 2022 | <u>26856</u>                           | <u>43069</u>              | <u>379972</u>                                           | <u>16244</u>                   | <u>7260</u>                    | <u>473401</u>      |
| <b>DEPRECIATION</b>           |                                        |                           |                                                         |                                |                                |                    |
| At 1 <sup>st</sup> July 2021  | 25776                                  | 43069                     | 454942                                                  | 37050                          | 7260                           | 568097             |
| Disposal                      | -                                      | -                         | (170706)                                                | (26945)                        | -                              | (197651)           |
| Charge for the year           | 1080                                   | -                         | 15767                                                   | 1535                           | -                              | 18382              |
|                               | <u>26856</u>                           | <u>43069</u>              | <u>300003</u>                                           | <u>11640</u>                   | <u>7260</u>                    | <u>388828</u>      |
| At 30 <sup>th</sup> June 2022 | <u>26856</u>                           | <u>43069</u>              | <u>300003</u>                                           | <u>11640</u>                   | <u>7260</u>                    | <u>388828</u>      |
| <b>NET BOOK VALUE</b>         |                                        |                           |                                                         |                                |                                |                    |
| At 30 <sup>th</sup> June 2022 | -                                      | -                         | 79969                                                   | 4604                           | -                              | 84573              |
|                               | <u>-</u>                               | <u>-</u>                  | <u>79969</u>                                            | <u>4604</u>                    | <u>-</u>                       | <u>84573</u>       |
| At 30 <sup>th</sup> June 2021 | 1080                                   | -                         | 82867                                                   | 7089                           | -                              | 91036              |
|                               | <u>1080</u>                            | <u>-</u>                  | <u>82867</u>                                            | <u>7089</u>                    | <u>-</u>                       | <u>91036</u>       |

**10. STOCKS**

|                 | <b>2022<br/>£</b> | <b>2021<br/>£</b> |
|-----------------|-------------------|-------------------|
| Catering stocks | <u>975</u>        | <u>975</u>        |

**11. DEBTORS**

|                                | <b>2022<br/>£</b> | <b>2021<br/>£</b> |
|--------------------------------|-------------------|-------------------|
| Trade Debtors                  | 82097             | 100331            |
| Prepayments and Accrued Income | 33220             | 50872             |
| Other Debtors                  | 8661              | 10541             |
|                                | <u>123978</u>     | <u>161744</u>     |

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

| <b>12. BANK AND CASH</b> | <b>2022</b>   | <b>2021</b>   |
|--------------------------|---------------|---------------|
|                          | <b>£</b>      | <b>£</b>      |
| Current Account          | 110441        | 109009        |
| Virgin Money             | 60935         | 85935         |
| CAF (Shawbrook)          | 85000         | 85000         |
| Cash in Hand             | 600           | 780           |
|                          | <u>256976</u> | <u>280724</u> |

| <b>13. CREDITORS</b>                   | <b>2022</b>   | <b>2021</b>   |
|----------------------------------------|---------------|---------------|
|                                        | <b>£</b>      | <b>£</b>      |
| Amounts falling due within one year    |               |               |
| Trade Creditors                        | 40074         | 35155         |
| Accruals and Other Creditors           | 79067         | 73211         |
| Other Creditors – Staff Christmas Club | 8770          | 8085          |
|                                        | <u>127911</u> | <u>116451</u> |

**14. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

| <b>2022</b>           | <b>Unrestricted Funds</b> | <b>Restricted Funds</b> | <b>Total</b>  |
|-----------------------|---------------------------|-------------------------|---------------|
|                       | <b>£</b>                  | <b>£</b>                | <b>£</b>      |
| Tangible Fixed Assets | 84573                     | -                       | 84573         |
| Net Current Assets    | 254018                    | -                       | 254018        |
|                       | <u>338591</u>             | <u>-</u>                | <u>338591</u> |

| <b>2021</b>           | <b>Unrestricted Funds</b> | <b>Restricted Funds</b> | <b>Total</b>  |
|-----------------------|---------------------------|-------------------------|---------------|
|                       | <b>£</b>                  | <b>£</b>                | <b>£</b>      |
| Tangible Fixed Assets | 91036                     | -                       | 91036         |
| Net Current Assets    | 326992                    | -                       | 326992        |
|                       | <u>418028</u>             | <u>-</u>                | <u>418028</u> |

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

| <b>15. RESTRICTED FUNDS</b> | <b>2022</b> | <b>2021</b> |
|-----------------------------|-------------|-------------|
|                             | <b>£</b>    | <b>£</b>    |
| At beginning of Year        | -           | -           |
| Incoming Resources          | 106915      | 64378       |
| Resources expended          | (106915)    | (61441)     |
| Transfer between funds      | -           | (2937)      |
|                             | <u>-</u>    | <u>-</u>    |
|                             | <u>-</u>    | <u>-</u>    |

**Purpose of Restricted Funds**

The restricted funds relate to grants received from local councils of £99765 in respect of Infection control , Rapid testing support, Lateral flow testing national living wage increases and training. There were also restricted donations of £7150 specifically for the purpose of covering cost of macerators, weighing hoists, resident activities, slings and refurbishment. These funds had all been expended by the year end.

| <b>16. UNRESTRICTED FUNDS</b> | <b>2022</b>   | <b>2021</b>   |
|-------------------------------|---------------|---------------|
|                               | <b>£</b>      | <b>£</b>      |
| At beginning of Year          | 418028        | 495391        |
| Incoming Resources            | 1286585       | 1238517       |
| Resources expended            | (1366022)     | (1318817)     |
| Transfer between funds        | -             | 2937          |
|                               | <u>338591</u> | <u>418028</u> |

**17. TRUSTEE CONTRIBUTION**

Every Member of the Trust undertakes to contribute to the assets of the Trust in the event of its being wound up, while he or she is a member, or within one year after he or she ceased to be a member, for payments of the debts and liabilities of the Trust contracted before he or she ceased to be a member, and of the costs, charges and expenses of winding up and for the adjustment or the rights of the contributories among themselves, such amount as may be required not exceeding one pound.

There are 7 members.

**18. RELATED PARTY TRANSACTIONS**

There were no transactions with related parties in the period that require disclosure under FRS102.

**19. RECONCILIATION OF NET INCOME/EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES**

|                                                      | <b>2022</b>    | <b>2021</b>  |
|------------------------------------------------------|----------------|--------------|
|                                                      | <b>£</b>       | <b>£</b>     |
| Net expenditure for the year                         | (79437)        | (77363)      |
| Interest Received                                    | (344)          | (216)        |
| Depreciation and impairment of tangible fixed assets | 19531          | 24051        |
| Decrease in stock                                    | -              | 48           |
| Decrease in debtors                                  | 37766          | 16994        |
| Increase in creditors                                | 11460          | 36385        |
| <b>Net cash flow from operating activities</b>       | <u>(11024)</u> | <u>(101)</u> |

**EAST CLEVELAND MS HOME**  
**INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 30<sup>TH</sup> JUNE 2022**

|                              | <b>2022</b>    | <b>2021</b>    |
|------------------------------|----------------|----------------|
|                              | <b>£</b>       | <b>£</b>       |
| <b>INCOME</b>                |                |                |
| Residents' Fees              | 1263613        | 1231033        |
| Grants                       | 99765          | 66236          |
|                              | <hr/>          | <hr/>          |
| <b>TOTAL INCOME</b>          | <b>1363378</b> | <b>1297269</b> |
|                              | <hr/> <hr/>    | <hr/> <hr/>    |
| <b>DIRECT EXPENSES</b>       |                |                |
| Salaries, Wages & Oncosts    | 1168044        | 1059287        |
| Bad Debts                    | 29307          | 25845          |
| Staff Training               | 8867           | 9505           |
| Catering Supplies            | 36241          | 35081          |
| Staff Social Fund - Vouchers | 2482           | 1465           |
|                              | <hr/>          | <hr/>          |
| <b>TOTAL DIRECT EXPENSES</b> | <b>1244941</b> | <b>1131183</b> |
|                              | <hr/> <hr/>    | <hr/> <hr/>    |
| <b>GROSS SURPLUS</b>         | <b>118437</b>  | <b>166086</b>  |
|                              | <hr/> <hr/>    | <hr/> <hr/>    |
| <b>OVERHEADS</b>             |                |                |
| <b>RENT AND RATES</b>        |                |                |
| Rent                         | 17406          | 19091          |
| Water Rates                  | 4200           | 3830           |
| General Rates                | 1719           | 1735           |
|                              | <hr/>          | <hr/>          |
|                              | <b>23325</b>   | <b>24656</b>   |
|                              | <hr/> <hr/>    | <hr/> <hr/>    |
| <b>FEES AND INSURANCE</b>    |                |                |
| Audit and Accountancy Fees   | 12960          | 17706          |
| Subscriptions                | 12229          | 11502          |
| Bank Charges                 | 181            | 206            |
| Insurance                    | 13412          | 9144           |
| Registration Fees            | 3331           | 3268           |
| TV Licences                  | 452            | 288            |
|                              | <hr/>          | <hr/>          |
|                              | <b>42565</b>   | <b>42114</b>   |
|                              | <hr/> <hr/>    | <hr/> <hr/>    |
| <b>VEHICLE EXPENSES</b>      |                |                |
| Fuel and Oil                 | 2021           | 1558           |
| Repair                       | 756            | 2082           |
| Tax and Insurance            | 1849           | 2296           |
| Miscellaneous and Travel     | 329            | 848            |
|                              | <hr/>          | <hr/>          |
|                              | <b>4955</b>    | <b>6784</b>    |
|                              | <hr/> <hr/>    | <hr/> <hr/>    |

**EAST CLEVELAND MS HOME**  
**INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 30<sup>TH</sup> JUNE 2022**

|                                      | <b>2022</b>  | <b>2021</b>  |
|--------------------------------------|--------------|--------------|
|                                      | <b>£</b>     | <b>£</b>     |
| <b>CLEANING AND MEDICAL SUPPLIES</b> |              |              |
| Laundry Supplies                     | 3855         | 7513         |
| Cleaning Materials                   | 5225         | 5387         |
| Medical Consumables                  | 19604        | 34197        |
|                                      | <u>28684</u> | <u>47097</u> |
| <b>MAINTENANCE</b>                   |              |              |
| Property & Equipment Repairs         | 36267        | 39361        |
| Office Equipment Repair              | 12071        | 5593         |
| Refuse Collection                    | 9458         | 11186        |
|                                      | <u>57796</u> | <u>56140</u> |
| <b>ENERGY</b>                        |              |              |
| Electricity & Gas                    | 27683        | 23254        |
|                                      | <u>27683</u> | <u>23254</u> |
| <b>ADMINISTRATION</b>                |              |              |
| Telephone and Internet               | 12263        | 10387        |
| Advertising                          | 767          | 874          |
| Stationery                           | 2223         | 4380         |
| Postage                              | 43           | 95           |
| Publications                         | -            | -            |
| Equipment Rental                     | 797          | 797          |
|                                      | <u>16093</u> | <u>16533</u> |
| <b>MISCELLANEOUS</b>                 |              |              |
| Miscellaneous/Newspapers             | 3457         | 4534         |
| Staff Uniforms                       | 2490         | 2594         |
| Towels and Bedding                   | 1210         | 1152         |
| Resident Spending                    | -            | -            |
| Aquarium Maintenance and supplies    | 207          | 166          |
|                                      | <u>7364</u>  | <u>8446</u>  |

**EAST CLEVELAND MS HOME**  
**INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 30<sup>TH</sup> JUNE 2022**

|                           | <b>2022</b>     | <b>2021</b>    |
|---------------------------|-----------------|----------------|
|                           | <b>£</b>        | <b>£</b>       |
| <b>OTHER EXPENSES</b>     |                 |                |
| Depreciation/Loss on Sale | 19531           | 24051          |
|                           | <u>19531</u>    | <u>24051</u>   |
| <b>TOTAL OVERHEADS</b>    | <u>227996</u>   | <u>249075</u>  |
| <b>TRADING DEFICIT</b>    | <u>(109559)</u> | <u>(82989)</u> |
| <b>OTHER INCOME</b>       |                 |                |
| Fundraising               | 2517            | -              |
| Donations Received        | 27261           | 5410           |
| Bank Interest Received    | 344             | 216            |
|                           | <u>28122</u>    | <u>5626</u>    |
| <b>NET DEFICIT</b>        | <u>(79437)</u>  | <u>(77363)</u> |

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# Accounts

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**EAST CLEVELAND MS HOME**

**TRUSTEES' REPORT AND  
STATEMENT OF ACCOUNTS**

**YEAR ENDED 30<sup>TH</sup> JUNE 2021**

**COMPANY LIMITED BY GUARANTEE  
(The Company does not have a share capital)**

**REGISTERED CHARITY NUMBER 519232  
COMPANY NUMBER : 2152724**

## EAST CLEVELAND MS HOME

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**EAST CLEVELAND MS HOME  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 30 JUNE 2021**

The East Cleveland MS Home is also known as the Ann Charlton Lodge.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charities governing document, the Companies Act 2016 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective 1<sup>st</sup> January 2019

**REFERENCE & ADMINISTRATIVE DETAILS**

Charity number 519232  
Company number 2152724

**Registered Office:** Edenhall Grove  
REDCAR  
TS10 4PR

**Trustees:**

The trustees are directors of the Company for the purpose of Company law. The trustees serving during the year and up to the date of this report:-

P W Wilson - Chairman  
C V Greenley – Secretary  
Mrs R Hewitt  
M Thompson  
C Johnston (appointed 21/9/21)  
P Sotheran (appointed 23/3/21)  
R Fox (appointed 25/5/21)  
L Minns (appointed 28/9/21)  
Mrs Deborah Dobbing (resigned 12/10/21)

**Honorary Secretary:** C V Greenley

**Bankers:** HSBC Bank PLC, 2 West Dyke Road, Redcar, TS10 1EA.  
Virgin Money plc, Jubilee House, Gosforth, NE3 4PL.

**Auditors:** Graham Fitzgerald  
Azets Audit Services,  
New Garth House,  
Upper Garth Gardens  
Guisborough TS14 6HA

**Solicitors:** Cygnet Law  
Portland House  
West Dyke Road  
REDCAR TS10 1DH

**EAST CLEVELAND MS HOME**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**STRUCTURE, GOVERNANCE & MANAGEMENT**

**Governing Document**

The charity is a charitable company limited by guarantee and was set up 7 May 1987. It is governed by a memorandum and articles of association. Its objects are to bring relief to the sufferers of Multiple Sclerosis and other diseases of the central nervous system in Cleveland and the surrounding area.

**Appointment of trustees**

As set out in the Articles of Association, trustees are appointed by the Board of Trustees and every year one third of the trustees shall retire from office and may put themselves forward for re-election at the Annual General Meeting. Also any new trustees elected during the year shall only hold office until the next following Annual General Meeting and shall then be eligible for re-election.

All members are circulated with invitations to nominate trustees prior to the AGM advising them of the retiring trustees and requesting nominations for the AGM.

The Trustees maintain an 'equal opportunity' policy whether it is age, sex, ethnicity or disability with regard to recruiting new Trustees and work to maintain a balance of experience and skills. All candidates are required to make a formal written application, giving the names of two suitable referees; they are also required to undergo an enhanced CRB check before being interviewed by a panel of Trustees who will assess the suitability of the candidate.

**Trustee induction and training**

New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

**Organisation**

The board of trustees administers the charity. The Trustees meet every month to review operations and to make any decisions required on the running of the Home. Members of the Home guarantee to contribute an amount not exceeding £1 to the assets of the Home in the event of winding up. The total number of such guarantees at 30<sup>th</sup> June 2021 was 6 (2020 – 5).

**Investment Powers, Policy and Performance**

The Trustees investment powers are governed by the Memorandum and Articles of Association which permits the Home's funds not immediately required for its purposes to be invested in any such investments, securities or property as may be thought fit.

The Board's policy is to invest in high interest savings accounts and low risk investments, such as investment in a portfolio of stocks and shares in blue chip companies specially tailored for charitable companies.

The Home's investments have continued to be managed in conformity with our policy and the Memorandum and Articles of Association and their performance for the year has been in line with our expectations, thanks to the expert advice of our investment advisor and the close control exercised by the management team.

**EAST CLEVELAND M S HOME**  
**REPORT OF THE TRUSTEES (CONTINUED)**

**Risk Review**

Through the regular involvement in the management of the Home, the Trustees are aware of the risks involved in running the Home. Policies and procedures are in place to mitigate these risks. An annual budget for the year ahead is in place to guide the Trustees and is regularly reviewed. Internal risks are minimised by the implementation of procedures for the authorisation of all transactions and projects, to ensure the consistent quality of delivery for all operational aspects of the Lodge. These procedures are periodically reviewed to ensure that they still meet the needs of the Home and requirements of the regulatory body.

**Re-election of Trustees**

In accordance with clause 31 and 34 of the Articles of Association, the under mentioned resign as Trustees and offer themselves for re-election.

Mr C V Greenley  
Mr M Thompson

**OBJECTIVES**

**Objectives**

The Trust was established for the relief of sickness of persons suffering from Multiple Sclerosis in Cleveland and the surrounding area, through the provision of a residential care home offering long and short stay accommodation, together with day care facilities. The Trust is registered as a care home with nursing and currently looks after 23 residents and up to 2 respite clients at any one time.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing its aims and objectives in planning its future activities.

**ACHIEVEMENTS & PERFORMANCE**

**Achievements during the Year**

The Trustees have been active in giving guidance where required on the Home's activities and business planning including monthly inspections of the Home where every facet of the day to day running of the organisation is scrutinised. Unfortunately, due to Covid restrictions, monthly inspections were not always possible.

The year has been dominated by the Covid19 pandemic which has severely impacted on the quality of life of the residents who for most of the year have not been able to receive visitors. The pandemic has also created much pressure on the staff working to strict Covid regulations whilst having to wear PPE at all times in all conditions. To the great credit of the Manager and staff, none of the residents contracted Covid19 during the year.

Because of Covid19, there has been little opportunity for any social activities or other initiatives during the year. However, work did commence on a new roof from our landlords, Thirteen. Our lease expires at the end of 2021, and negotiations have been ongoing but this should result in a much lower rent.

**EAST CLEVELAND M S HOME**  
**REPORT OF THE TRUSTEES (CONTINUED)**

## **FINANCIAL REVIEW**

### **Results**

The trust had a net outflow of resources amounting to £77,363 with reserves now standing at £418,028. This compares with a net outflow of £260,008 in the previous trading year. After successfully coming out of the SCP in the previous year which severely impacted on the Home's reserves, thoughts of making a financial recovery were dashed by the arrival of Covid19. This not only incurred extra costs, including staff costs, but also meant that we were unable to admit new residents during the year, thus reducing our fee income. Fortunately, we received a number of grants from the local councils to ameliorate the effect of Covid19 on our additional costs and were also assisted by the government's furlough scheme.

The statement of Financial Activities on page 11 shows the Home's income and how it has been spent during the year. The Trustees are very grateful for the support received through the efforts of the staff entertainments committee which incorporates erstwhile members of the Friends, as well as other benefactors who have generously supported our work.

After four poor trading years, the Lodge's finances have come under increasing strain. The Lodge needs at least 90% occupancy to break even and voids will continue to be a problem whilst the Covid pandemic persists. During the year occupancy levels were often as little as 80% and whilst there was additional support from Redcar Council for low rates of occupancy, this only kicked in at 70%. In February 2021 we commenced negotiations with Redcar Council for improved funding but agreement was not reached until November 2021. An increase of 8.5% was agreed, backdated to 1 April 2021 which should help improve our position going forward. Meanwhile, It is essential to maintain the continuing financial support of the public to maintain our excellent level of service and more focus is being placed on increased sponsorship and fundraising. In addition to our savings the Lodge also has adequate funds lodged with Thirteen Group to cover any major repairs or refurbishment to the external buildings.

## **PLANS FOR FUTURE PERIODS**

### **Future Strategy**

This financial year demonstrates once again the need for caution and careful control of expenditure. Our level of reserves are much depleted but with increased funding having been agreed with Redcar Council, if we can improve occupancy levels, then we should be able to start to build up reserves again. The Trustees continue to look at ways to reduce staffing costs through restructuring and efficiency savings and to have better systems in place, including a new website, to attract future clients. Further the Trustees are working hard to strengthen the Board of Trustees with a view to bring in more expertise and new ideas including increased focus on fundraising. We draw your attention to the going concern accounting policy on page 16, this sets out our current position in respect of the going concern of the organisation.

### **Reserves Policy - Funds**

Whilst the Lodge continues to see a decline in its level of reserves, the Trustees monitor closely the investment strategy to maximise income and protect, as far as is possible, these reserves so as to guarantee the future of the Ann Charlton Lodge for the foreseeable future. Prompt action is taken to address adverse trends.

## EAST CLEVELAND M S HOME

### REPORT OF THE TRUSTEES (CONTINUED)

#### Statement of trustees Responsibilities for Preparing Accounts

The Trustees (who are also Directors of the East Cleveland MS Home for the purposes of Charity and Company law) are responsible for preparing the Trustees Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company and Charity law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Institution and of the incoming resources and application of the same, including income and expenditure, of the Institution for that period. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Institution will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Institution and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Institution and hence for taking reasonable steps for the prevention of fraud and other irregularities.

#### Statement of Disclosure of Information to Auditors

- There is no relevant audit information of which the company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

#### Auditors

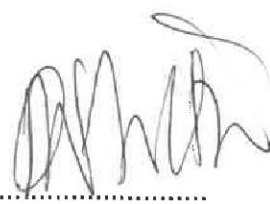
Azets Audit Services were re-appointed as the Home's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the Trustees and signed on their behalf by:-

Chairman: P W Wilson

Dated

29/6/2022



## **EAST CLEVELAND MS HOME**

### **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF EAST CLEVELAND MS HOME FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

#### **Opinion**

We have audited the financial statements of East Cleveland MS Home (the charitable company) for the year ended 30<sup>th</sup> June 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

#### **Material Uncertainty in respect of Debtors and Income**

- we have been unable to obtain sufficient evidence that debtors and therefore income have not been materially misstated

In our opinion the financial statements:

- Other than the above give a true and fair view of the state of the charitable company's affairs as at 30<sup>th</sup> June 2021 and of its incoming resources and application of resources including its income and expenditure for the year then ended other than we have been unable to obtain sufficient evidence that debtors and therefore income have not been materially misstated
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Material uncertainty relating to going concern**

We draw attention to note 1 in the financial statements ("Going Concern"), which indicates that the company is in a position where losses are being incurred and solutions are being sought to secure the financial stability of the company. As stated in note 1, at the present time there is a material uncertainty that casts doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **EAST CLEVELAND MS HOME**

### **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF EAST CLEVELAND MS HOME FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

## **EAST CLEVELAND MS HOME**

### **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF EAST CLEVELAND MS HOME FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## EAST CLEVELAND MS HOME

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EAST CLEVELAND MS HOME

#### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Azets Audit Services*

Graham Fitzgerald BA FCA DChA  
Senior Statutory auditor  
For and on behalf of  
Azets Audit Services  
New Garth House  
Upper Garth Gardens  
Guisborough  
TS14 6HA

Date: *29 June 2022*

# EAST CLEVELAND MS HOME

## STATEMENT OF FINANCIAL ACTIVITIES (including Income & Expenditure Account)

YEAR ENDED 30<sup>TH</sup> JUNE 2021

|                                                                   | Note | Restricted<br>Funds<br>2021<br>£ | Unrestricted<br>Funds<br>2021<br>£ | Total<br>Funds<br>2021<br>£ | Total<br>Funds<br>2020<br>£ |
|-------------------------------------------------------------------|------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| <b>INCOME AND RECEIPT OF ENDOWMENT</b>                            |      |                                  |                                    |                             |                             |
| <i><b>Income from Donations and Legacies:</b></i>                 |      |                                  |                                    |                             |                             |
| Donations and Gifts                                               |      | 2937                             | 2473                               | 5410                        | 12563                       |
| Grants Receivable                                                 |      | 61441                            | 4795                               | 66236                       | 40484                       |
| <i><b>Income from charitable activities:</b></i>                  |      |                                  |                                    |                             |                             |
| Fees for residential care                                         |      | -                                | 1231033                            | 1231033                     | 1154458                     |
| <i><b>Income from other Trading Activities:</b></i>               |      |                                  |                                    |                             |                             |
| Catering and Other Income                                         |      | -                                | -                                  | -                           | 693                         |
| <i><b>Investment income:</b></i>                                  |      |                                  |                                    |                             |                             |
| Dividends receivable                                              | 3    | -                                | -                                  | -                           | 1100                        |
| Bank interest receivable                                          | 3    | -                                | 216                                | 216                         | 2149                        |
| <b>TOTAL INCOME</b>                                               |      | <u>64378</u>                     | <u>1238517</u>                     | <u>1302895</u>              | <u>1211447</u>              |
| <b>EXPENDITURE</b>                                                |      |                                  |                                    |                             |                             |
| <i><b>Charitable activities:</b></i>                              |      |                                  |                                    |                             |                             |
| Direct Residential and day care costs                             |      | 61441                            | 1301111                            | 1362552                     | 1460886                     |
| <b>Other Costs</b>                                                |      | -                                | 17706                              | 17706                       | 11400                       |
| <b>Total Expenditure</b>                                          | 4    | <u>61441</u>                     | <u>1318817</u>                     | <u>1380258</u>              | <u>1472286</u>              |
| <b>Net outgoing/incoming resources</b>                            |      | 2937                             | (80300)                            | (77363)                     | (260839)                    |
| Net gains (losses) on investments                                 |      | -                                | -                                  | -                           | 831                         |
| Transfer between funds                                            |      | (2937)                           | 2937                               | -                           | -                           |
| <b>Net movement in Funds</b>                                      |      | -                                | (77363)                            | (77363)                     | (260008)                    |
| <b>Fund balances brought forward at 1<sup>st</sup> July 2020</b>  |      | -                                | 495391                             | 495391                      | 755399                      |
| <b>Fund balances carried forward at 30<sup>th</sup> June 2021</b> |      | -                                | 418028                             | 418028                      | 495391                      |

The statement of financial activities includes all gains and losses recognised in the year.  
All incoming resources and resources expended derive from continuing activities.  
The notes on pages 14 to 21 form part of these accounts.

# EAST CLEVELAND MS HOME

## BALANCE SHEET

AS AT 30<sup>TH</sup> JUNE 2021

|                                                           | Note | £        | 2021<br>£            | £                    | 2020<br>£    |
|-----------------------------------------------------------|------|----------|----------------------|----------------------|--------------|
| <b>FIXED ASSETS</b>                                       |      |          |                      |                      |              |
| Tangible fixed assets                                     | 9    |          | 91036                |                      | 97740        |
| Investments                                               | 10   |          | -                    |                      | -            |
|                                                           |      |          | <u>91036</u>         |                      | <u>97740</u> |
| <b>CURRENT ASSETS</b>                                     |      |          |                      |                      |              |
| Stocks                                                    | 11   | 975      |                      | 1023                 |              |
| Debtors                                                   | 12   | 161744   |                      | 178738               |              |
| Cash at bank and in hand                                  | 13   | 280724   |                      | 297956               |              |
|                                                           |      |          | <u>443443</u>        | <u>477717</u>        |              |
| <b>CREDITORS: AMOUNTS FALLING DUE<br/>WITHIN ONE YEAR</b> | 14   | (116451) |                      | (80066)              |              |
| <b>NET CURRENT ASSETS</b>                                 |      |          | <u>326992</u>        | <u>397651</u>        |              |
| <b>NET ASSETS</b>                                         |      |          | <u><u>418028</u></u> | <u><u>495391</u></u> |              |
| <b>FUNDS</b>                                              |      |          |                      |                      |              |
| Restricted                                                | 15   |          | -                    |                      | -            |
| Unrestricted                                              | 16   |          | <u>418028</u>        | <u>495391</u>        |              |
|                                                           |      |          | <u><u>418028</u></u> | <u><u>495391</u></u> |              |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements on pages 11 to 21 were approved and authorised for issue by the trustees on and signed on their behalf by:

P W Wilson

C V Greenley

**TRUSTEES**

Dated 29/6/2022

The notes on pages 13 to 21 form part of these accounts.

COMPANY NUMBER 2152724

**EAST CLEVELAND MS HOME  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

|                                                             | Note | 2021<br>£      | 2020<br>£       |
|-------------------------------------------------------------|------|----------------|-----------------|
| <b>Net cash flow from operating activities</b>              | 20   | <u>(101)</u>   | <u>(234349)</u> |
| <b>Cash flow from investing activities</b>                  |      |                |                 |
| Payments to acquire tangible fixed assets                   |      | (17347)        | (22020)         |
| Receipts from sale of investments                           |      | -              | 135188          |
| Interest received                                           |      | 216            | 2149            |
| Dividends received                                          |      | <u>-</u>       | <u>1100</u>     |
| <b>Net cash flow from investing activities</b>              |      | <u>(17131)</u> | <u>116417</u>   |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |      | (17232)        | (117932)        |
| Cash and cash equivalents at 1 <sup>st</sup> July 2020      |      | <u>297956</u>  | <u>415888</u>   |
| Cash and cash equivalents at 30 <sup>th</sup> June 2021     |      | <u>280724</u>  | <u>297956</u>   |
| <b>Cash and cash equivalents consists of:</b>               |      |                |                 |
| Cash at bank and in hand                                    |      | <u>280724</u>  | <u>297956</u>   |

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

**1. ACCOUNTING POLICIES**

**Charity Information**

East Cleveland MS Home is a private company limited by guarantee incorporated in England and Wales. The registered office is Edenhall Grove, Redcar, TS10 4PR. The charity constitutes a public benefit entity as defined by FRS102.

**Accounting convention**

These accounts have been prepared in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Ireland" ("FRS102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for Charities applying FRS102 and UK Generally Accepted Accounting Practice effective 1<sup>st</sup> January 2019.

The accounts are prepared in sterling which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

**Charitable Funds**

Unrestricted funds are available for use at the discretion of the trustees in the furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of restricted funds are set out in the notes to the accounts.

**Incoming Resources**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that the income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require the deferral of the amount. Income tax recoverable in relation to donations received under gift aid or deeds of covenant is recognised at the time of donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of VAT and other sales related taxes.

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

**1. ACCOUNTING POLICIES (Continued)**

**Tangible Fixed Assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                                  |                      |
|----------------------------------|----------------------|
| Conservatory & Staff Room Annexe | 25 years             |
| Gifted Assets                    | 10 years             |
| Fixtures, Fittings & Equipment   | 10 years             |
| Motor Vehicle                    | 25% reducing balance |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the net income for the year.

Recoverable amount is the higher of fair value, less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to the recoverable amount immediately in income/expenditure for the year, unless the relevant asset is carried in at a revalued amount, in which case the impairment loss is treated as revaluation decrease.

Recognised impairment losses are reversed if and only if ,the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined if no carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as revaluation increase.

**Investments**

Investments are recognised initially at fair value which is normally the transaction value excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in "net gains / (losses) on investments" in the SOFA as the shares are publically traded and their fair value can be measured reliably.

**Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to sell. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured at cost. Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

**1. ACCOUNTING POLICIES (Continued)**

**Basic Financial Assets**

Basic financial assets which include debtors, cash and bank balances, are initially measured at transaction price including transaction costs and subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of future receipts discounted at a market rate of interest. Financial assets classified as receivable within 1 year are not amortised.

**Basic Financial Liabilities**

Basic Financial Liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within 1 year are not amortised. Debt instruments are subsequently measured at amortised cost, using the effective interest method.

**Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

**Employee Benefits**

When employees have rendered service to the charity, short term benefits to which the employees are Entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are charged as they become payable.

**Going Concern**

The financial statements have been prepared on a going concern basis, however we are currently in a loss making position and there are some uncertainties around the level of future levels of income and expenditure. Management and trustees are actively engaged in strategies to maximise revenues and minimise costs to secure the medium to long term future of the organisation, however until discussions and negotiations are concluded and key decisions taken, there remains some uncertainty as to our financial stability.

**2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision effects only that period, or in the period of revision and future periods where the provision effects both current and future periods.

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

**3. INVESTMENT INCOME**

|                     | <b>2021</b>  | <b>2020</b>  |
|---------------------|--------------|--------------|
|                     | <b>Total</b> | <b>Total</b> |
|                     | <b>£</b>     | <b>£</b>     |
| Investment Income   | -            | 1100         |
| Interest receivable | 216          | 2149         |
|                     | <u>216</u>   | <u>3249</u>  |

**4. TOTAL RESOURCES EXPENDED**

|                                              | <b>Basis<br/>of<br/>allocation</b> | <b>Charitable<br/>activities</b> | <b>Other<br/>costs</b> | <b>2021</b>    | <b>2020</b>    |
|----------------------------------------------|------------------------------------|----------------------------------|------------------------|----------------|----------------|
|                                              |                                    | <b>£</b>                         | <b>£</b>               | <b>£</b>       | <b>£</b>       |
| Staff Costs                                  | Staff time                         | 1070257                          | -                      | 1070257        | 1146413        |
| Rent & Rates                                 | Direct                             | 24656                            | -                      | 24656          | 54535          |
| Vehicle Expenses                             | Direct                             | 6784                             | -                      | 6784           | 6645           |
| Insurance/Licence                            | Direct                             | 9432                             | -                      | 9432           | 9876           |
| Catering                                     | Direct                             | 35081                            | -                      | 35081          | 35514          |
| Maintenance                                  | Direct                             | 50548                            | -                      | 50548          | 50071          |
| Medical Supplies                             | Direct                             | 47097                            | -                      | 47097          | 43856          |
| Energy                                       | Direct                             | 23254                            | -                      | 23254          | 38602          |
| Administration                               | Direct                             | 22125                            | -                      | 22125          | 26527          |
| Audit/Accountancy                            | Direct                             | -                                | 17706                  | 17706          | 11400          |
| Subscriptions                                | Direct                             | 11502                            | -                      | 11502          | 9988           |
| Depreciation (including<br>Loss on Disposal) | Direct                             | 24051                            | -                      | 24051          | 25543          |
| Bad Debts                                    | Direct                             | 25845                            | -                      | 25845          | -              |
| Registration Fees                            | Direct                             | 3268                             | -                      | 3268           | 3310           |
| Bank Charges                                 | Direct                             | 206                              | -                      | 206            | 247            |
| Miscellaneous                                | Direct                             | 8446                             | -                      | 8446           | 9759           |
| <b>TOTAL RESOURCES<br/>EXPENDED</b>          |                                    | <u>1362552</u>                   | <u>17706</u>           | <u>1380258</u> | <u>1472286</u> |

Of expenditure of £1380258 (2020:£1472286) £1318817 (2020:£1460253) related to unrestricted and £61441 (2020: £12033) related to restricted funds.

**5. NET INCOMING RESOURCES FOR THE YEAR**

This is stated after charging:

|                                         | <b>2021</b>  | <b>2020</b> |
|-----------------------------------------|--------------|-------------|
|                                         | <b>£</b>     | <b>£</b>    |
| Depreciation/loss on disposal of assets | 24051        | 25543       |
| Auditors remuneration                   | 5496         | 3810        |
| Other Accountancy fees                  | <u>12210</u> | <u>7590</u> |

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

**6. TRUSTEES REMUNERATION, EXPENSES AND TRANSACTIONS**

The trustees neither received nor waived any emoluments during the year (2020: £ nil). There were no trustee expenses paid (2020: £ nil). No transactions with trustees or connected parties took place during the year (2020: £nil).

The Home is covered under its general insurance policy for any actions of its trustees.

**7. STAFF COSTS**

Staff costs were as follows:-

|                                      | <b>2021</b>    | <b>2020</b>    |
|--------------------------------------|----------------|----------------|
|                                      | <b>£</b>       | <b>£</b>       |
| Wages, Salaries, Agency and Training | 999044         | 1086990        |
| Social Security Costs                | 56666          | 49005          |
| Pension Costs                        | 14547          | 10418          |
|                                      | <u>1070257</u> | <u>1146413</u> |

No employee received emoluments of more than £60,000.

The average number of persons employed during the year, analysed by

|                               | <b>Fulltime Equivalents</b> |             |
|-------------------------------|-----------------------------|-------------|
|                               | <b>2021</b>                 | <b>2020</b> |
| Management and Administration | 2.5                         | 2.5         |
| Catering                      | 3.5                         | 3.5         |
| Domestic and Laundry          | 4                           | 4           |
| Nursing and Clinical Lead     | 8                           | 8           |
| Care Staff                    | 20                          | 20          |
| Drivers                       | 1                           | 1           |
| Gardner/Handyman              | 1.5                         | 1.5         |
|                               | <u>40.5</u>                 | <u>40.5</u> |

**8. TAXATION**

The trust is a registered charity and as such is exempt from Income Tax, Corporation Tax or Capital Gains Tax on its charitable activities.

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

**9. TANGIBLE ASSETS**

|                               | <b>Staff<br/>Room<br/>Annexe<br/>£</b> | <b>Conservatory<br/>£</b> | <b>Fixtures,<br/>&amp; Fittings<br/>Equipment<br/>£</b> | <b>Motor<br/>Vehicle<br/>£</b> | <b>Gifted<br/>Assets<br/>£</b> | <b>Total<br/>£</b> |
|-------------------------------|----------------------------------------|---------------------------|---------------------------------------------------------|--------------------------------|--------------------------------|--------------------|
| <b>COST</b>                   |                                        |                           |                                                         |                                |                                |                    |
| At 1 <sup>st</sup> July 2020  | 26856                                  | 43069                     | 520462                                                  | 44139                          | 7260                           | 641786             |
| Additions                     | -                                      | -                         | 17347                                                   | -                              | -                              | 17347              |
|                               | <hr/>                                  | <hr/>                     | <hr/>                                                   | <hr/>                          | <hr/>                          | <hr/>              |
| At 30 <sup>th</sup> June 2021 | 26856                                  | 43069                     | 537809                                                  | 44139                          | 7260                           | 659133             |
|                               | <hr/>                                  | <hr/>                     | <hr/>                                                   | <hr/>                          | <hr/>                          | <hr/>              |
| <b>DEPRECIATION</b>           |                                        |                           |                                                         |                                |                                |                    |
| At 1 <sup>st</sup> July 2020  | 24702                                  | 41352                     | 436045                                                  | 34687                          | 7260                           | 544046             |
| Charge for the year           | 1074                                   | 1717                      | 18897                                                   | 2363                           | -                              | 24051              |
|                               | <hr/>                                  | <hr/>                     | <hr/>                                                   | <hr/>                          | <hr/>                          | <hr/>              |
| At 30 <sup>th</sup> June 2021 | 25776                                  | 43069                     | 454942                                                  | 37050                          | 7260                           | 568097             |
|                               | <hr/>                                  | <hr/>                     | <hr/>                                                   | <hr/>                          | <hr/>                          | <hr/>              |
| <b>NET BOOK VALUE</b>         |                                        |                           |                                                         |                                |                                |                    |
| At 30 <sup>th</sup> June 2021 | 1080                                   | -                         | 82867                                                   | 7089                           | -                              | 91036              |
|                               | <hr/>                                  | <hr/>                     | <hr/>                                                   | <hr/>                          | <hr/>                          | <hr/>              |
| At 30 <sup>th</sup> June 2020 | 2154                                   | 1717                      | 84417                                                   | 9452                           | -                              | 97740              |
|                               | <hr/>                                  | <hr/>                     | <hr/>                                                   | <hr/>                          | <hr/>                          | <hr/>              |

**10. INVESTMENTS**

|                                                  | <b>2021<br/>£</b> | <b>2020<br/>£</b> |
|--------------------------------------------------|-------------------|-------------------|
| <b>Black Rock Investment - Listed</b>            |                   |                   |
| As at 1 <sup>st</sup> July 2020                  | -                 | 134357            |
| Net funds investments funds gains/(losses)       | -                 | 831               |
| Disposal                                         | -                 | (135188)          |
|                                                  | <hr/>             | <hr/>             |
| <b>Market value 30<sup>th</sup> June 2021</b>    | -                 | -                 |
|                                                  | <hr/>             | <hr/>             |
| Historical cost as at 30 <sup>th</sup> June 2021 | -                 | -                 |
|                                                  | <hr/>             | <hr/>             |

**11. STOCKS**

|                 | <b>2021<br/>£</b> | <b>2020<br/>£</b> |
|-----------------|-------------------|-------------------|
| Catering stocks | 975               | 1023              |
|                 | <hr/>             | <hr/>             |

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

|                                                 |               |               |
|-------------------------------------------------|---------------|---------------|
| <b>12. DEBTORS</b>                              | <b>2021</b>   | <b>2020</b>   |
|                                                 | <b>£</b>      | <b>£</b>      |
| Trade Debtors                                   | 100331        | 153012        |
| Prepayments                                     | 50872         | 14026         |
| Accrued Income - Fees                           | -             | -             |
| Other Debtors                                   | 10541         | 11700         |
|                                                 | <u>161744</u> | <u>178738</u> |
| <b>13. BANK AND CASH</b>                        | <b>2021</b>   | <b>2020</b>   |
|                                                 | <b>£</b>      | <b>£</b>      |
| Current Account                                 | 109009        | 111425        |
| Virgin Money                                    | 85935         | 185935        |
| CAF (Shawbrook)                                 | 85000         | -             |
| Cambridge & Counties                            | -             | -             |
| Cash in Hand                                    | 780           | 596           |
|                                                 | <u>280724</u> | <u>297956</u> |
| <b>14. CREDITORS</b>                            | <b>2021</b>   | <b>2020</b>   |
|                                                 | <b>£</b>      | <b>£</b>      |
| Amounts falling due within one year             |               |               |
| Trade Creditors                                 | 35155         | 21355         |
| Accruals and Other Creditors                    | 73211         | 53396         |
| Other Creditors – Staff Christmas Club          | 8085          | 5315          |
|                                                 | <u>116451</u> | <u>80066</u>  |
| <b>15. ANALYSIS OF NET ASSETS BETWEEN FUNDS</b> |               |               |

|                       |                           |                         |               |
|-----------------------|---------------------------|-------------------------|---------------|
| <b>2020</b>           | <b>Unrestricted Funds</b> | <b>Restricted Funds</b> | <b>Total</b>  |
|                       | <b>£</b>                  | <b>£</b>                | <b>£</b>      |
| Tangible Fixed Assets | 97740                     | -                       | 97740         |
| Net Current Assets    | 397651                    | -                       | 397651        |
|                       | <u>495391</u>             | <u>-</u>                | <u>495391</u> |

|                       |                           |                         |               |
|-----------------------|---------------------------|-------------------------|---------------|
| <b>2021</b>           | <b>Unrestricted Funds</b> | <b>Restricted Funds</b> | <b>Total</b>  |
|                       | <b>£</b>                  | <b>£</b>                | <b>£</b>      |
| Tangible Fixed Assets | 91036                     | -                       | 91036         |
| Net Current Assets    | 326992                    | -                       | 326992        |
|                       | <u>418028</u>             | <u>-</u>                | <u>418028</u> |

**EAST CLEVELAND MS HOME**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

**16. RESTRICTED FUNDS**

|                        | <b>2021</b> | <b>2020</b> |
|------------------------|-------------|-------------|
|                        | <b>£</b>    | <b>£</b>    |
| At beginning of Year   | -           | -           |
| Incoming Resources     | 64378       | 12033       |
| Resources expended     | (61441)     | (12033)     |
| Transfer between funds | (2937)      | -           |
|                        | <u>-</u>    | <u>-</u>    |

**Purpose of Restricted Funds**

The restricted funds relate to grants received from Redcar and Cleveland Borough Council of £61441 in respect of Infection control and Rapid testing support. There were also restricted donations of £2937 specifically for the purpose of purchasing Macerators for the charity. These funds had all been expended by the year end.

**17. UNRESTRICTED FUNDS**

|                        | <b>2021</b>   | <b>2020</b>   |
|------------------------|---------------|---------------|
|                        | <b>£</b>      | <b>£</b>      |
| At beginning of Year   | 495391        | 755399        |
| Incoming Resources     | 1238517       | 1200245       |
| Resources expended     | (1318817)     | (1460253)     |
| Transfer between funds | 2937          | -             |
|                        | <u>418028</u> | <u>495391</u> |

**18. TRUSTEE CONTRIBUTION**

Every Member of the Trust undertakes to contribute to the assets of the Trust in the event of its being wound up, while he or she is a member, or within one year after he or she ceased to be a member, for payments of the debts and liabilities of the Trust contracted before he or she ceased to be a member, and of the costs, charges and expenses of winding up and for the adjustment or the rights of the contributories among themselves, such amount as may be required not exceeding one pound.  
There are 7 members.

**19. RELATED PARTY TRANSACTIONS**

There were no transactions with related parties in the period that require disclosure under FRS102.

**20. RECONCILIATION OF NET INCOME/EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES**

|                                                      | <b>2021</b>  | <b>2020</b>     |
|------------------------------------------------------|--------------|-----------------|
|                                                      | <b>£</b>     | <b>£</b>        |
| Net expenditure/income for the year                  | (77363)      | (260008)        |
| Dividends Received                                   | -            | (1100)          |
| Interest Received                                    | (216)        | (2149)          |
| Depreciation and impairment of tangible fixed assets | 24051        | 25543           |
| Gain on disposal on Investments                      | -            | (831)           |
| Decrease/(Increase)/ in stock                        | 48           | 177             |
| Decrease (Increase) in debtors                       | 16994        | (1736)          |
| Increase in creditors                                | 36385        | 5755            |
| <b>Net cash flow from operating activities</b>       | <u>(101)</u> | <u>(234349)</u> |

**EAST CLEVELAND MS HOME**  
**INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 30<sup>TH</sup> JUNE 2021**

| <b>INCOME</b>                | <b>2021<br/>£</b> | <b>2020<br/>£</b> |
|------------------------------|-------------------|-------------------|
| Residents' Fees              | 1231033           | 1154458           |
| Grants                       | 66236             | 40484             |
| Catering Income              | -                 | 693               |
| <b>TOTAL INCOME</b>          | <b>1297269</b>    | <b>1195635</b>    |
| <b>DIRECT EXPENSES</b>       |                   |                   |
| Salaries, Wages & Oncosts    | 1059287           | 1131251           |
| Bad Debts                    | 25845             | -                 |
| Staff Training               | 9505              | 14022             |
| Catering Supplies            | 35081             | 35514             |
| Staff Social Fund- Vouchers  | 1465              | 1140              |
| <b>TOTAL DIRECT EXPENSES</b> | <b>1131183</b>    | <b>1181927</b>    |
| <b>GROSS SURPLUS</b>         | <b>166086</b>     | <b>13708</b>      |
| <b>OVERHEADS</b>             |                   |                   |
| <b>RENT AND RATES</b>        |                   |                   |
| Rent                         | 19091             | 51135             |
| Water Rates                  | 3830              | 1797              |
| General Rates                | 1735              | 1603              |
|                              | <b>24656</b>      | <b>54535</b>      |
| <b>FEES AND INSURANCE</b>    |                   |                   |
| Audit and Accountancy Fees   | 17706             | 11400             |
| Subscriptions                | 11502             | 9988              |
| Bank Charges                 | 206               | 247               |
| Insurance                    | 9144              | 9529              |
| Registration Fees            | 3268              | 3310              |
| TV Licences                  | 288               | 347               |
|                              | <b>42114</b>      | <b>34821</b>      |
| <b>VEHICLE EXPENSES</b>      |                   |                   |
| Fuel and Oil                 | 1558              | 1880              |
| Repair                       | 2082              | 1196              |
| Tax and Insurance            | 2296              | 2190              |
| Miscellaneous and Travel     | 848               | 1379              |
|                              | <b>6784</b>       | <b>6645</b>       |

**EAST CLEVELAND MS HOME**  
**INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 30<sup>TH</sup> JUNE 2021**

|                                      | <b>2021</b>  | <b>2020</b>  |
|--------------------------------------|--------------|--------------|
|                                      | <b>£</b>     | <b>£</b>     |
| <b>CLEANING AND MEDICAL SUPPLIES</b> |              |              |
| Laundry Supplies                     | 7513         | 5576         |
| Cleaning Materials                   | 5387         | 9089         |
| Medical Consumables                  | 34197        | 29191        |
|                                      | <u>47097</u> | <u>43856</u> |
| <b>MAINTENANCE</b>                   |              |              |
| Property & Equipment Repairs         | 39361        | 39169        |
| Office Equipment Repair              | 5593         | 9961         |
| Refuse Collection                    | 11186        | 10902        |
|                                      | <u>56140</u> | <u>60032</u> |
| <b>ENERGY</b>                        |              |              |
| Electricity & Gas                    | 23254        | 38602        |
|                                      | <u>23254</u> | <u>38602</u> |
| <b>ADMINISTRATION</b>                |              |              |
| Telephone and Internet               | 10387        | 10234        |
| Advertising                          | 874          | 1405         |
| Stationery                           | 4380         | 4005         |
| Postage                              | 95           | 125          |
| Publications                         | -            | -            |
| Equipment Rental                     | 797          | 797          |
|                                      | <u>16533</u> | <u>16566</u> |
| <b>MISCELLANEOUS</b>                 |              |              |
| Teaching Class Supplies              | -            | -            |
| Miscellaneous/Newspapers             | 4534         | 4172         |
| Staff Uniforms                       | 2594         | 2894         |
| Towels and Bedding                   | 1152         | 1041         |
| Resident Spending                    | -            | 1530         |
| Aquarium Maintenance and supplies    | 166          | 122          |
|                                      | <u>8446</u>  | <u>9759</u>  |

**EAST CLEVELAND MS HOME**  
**INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 30<sup>TH</sup> JUNE 2021**

|                                 | <b>2021</b>    | <b>2020</b>     |
|---------------------------------|----------------|-----------------|
|                                 | <b>£</b>       | <b>£</b>        |
| <b>OTHER EXPENSES</b>           |                |                 |
| Depreciation/Loss on Sale       | 24051          | 25543           |
|                                 | <u>24051</u>   | <u>25543</u>    |
| <b>TOTAL OVERHEADS</b>          | <u>249075</u>  | <u>290359</u>   |
| <b>TRADING DEFICIT</b>          | <u>(82989)</u> | <u>(276651)</u> |
| <b>OTHER INCOME</b>             |                |                 |
| Dividends Received              | -              | 1100            |
| Donations Received              | 5410           | 12563           |
| Bank Interest Received          | 216            | 2149            |
|                                 | <u>(77363)</u> | <u>(260839)</u> |
| <b>Gain/Loss on investments</b> | <u>-</u>       | <u>831</u>      |
| <b>NET DEFICIT</b>              | <u>(77363)</u> | <u>(260008)</u> |